

**Charity Registration No. 703072**

**Company Registration No. 02504158 (England and Wales)**

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE**

**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

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**Directors**

Mr. Alan Courtney  
Mr. Calan Edwards  
Rev. Dr. Alwyn Pettersen  
Mrs. Magda Praill  
Rev. Nick Read  
Mr. Roland Summers  
Mrs. Deborah Summerfield  
Mrs. Beverley Haywood  
Mr. Jonathan Harris  
Mr. Richard Wallace

**President**

Prof. Michael Clarke

**Honorary Officers**

Mrs. Magda Praill	Chair
Mr. Alan Courtney	Vice-Chair for Worcestershire
Mrs. Deborah Summerfield	Vice-Chair for Herefordshire
Mr. Richard Wallace	Honorary Treasurer

**Chief Executive**

Mr. Richard Quallington

**Secretary**

Mr. Richard Quallington

**Charity number**

703072

**Company number**

02504158

**Registered office**

Malvern View  
Willow End Park  
Blackmore Park Road  
Malvern  
Worcestershire  
WR13 6NN

**Auditors**

Kendall Wadley LLP  
Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

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**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

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**Bankers**

HSBC Bank plc  
6 Broad Street  
Worcester  
WR1 2EJ

CAF Bank Ltd  
PO Box 289  
West Malling  
Kent  
ME19 4TA

Nottingham Building Society  
Nottingham House  
5/13 Upper Parliament Street  
Nottingham  
NG1 2BX

**Investment manager**

CCLA Investment Management Limited  
80 Cheapside  
London  
EC2V 6DZ

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# COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE (A COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 MARCH 2011*

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The directors present their report and accounts for the year ended 31 March 2011.

## **Introduction**

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005. Directors have also referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organization's aims and objectives and in planning future activities.

## **Structure, governance and management**

### **Structure**

Community First is a charitable company limited by guarantee, incorporated on 29 June 1990 and registered as a charity on 6 July 1990.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. These were last amended on 28 November 2001.

### **Directors**

The directors who served during the year were:

Mr. Alan Courtney	
Mr. Alan Edwards	(Resigned 27 September 2010)
Mr. Calan Edwards	
Mr. Jonathan Harris	
Mrs. Beverley Haywood	
Mr. Roy Lilley	
Rev. Dr. Alwyn Pettersen	
Mrs. Magda Praill	
Rev. Nick Read	
Ms. Catherine Smith	(Resigned 27 September 2010)
Mrs. Deborah Summerfield	
Mr. Roland Summers	
Mr. Richard Wallace	(Appointed 17 November 2010)

Mr. Mike Weaver, who was not a director, acted as honorary treasurer until 27th September 2010. Mr. Richard Wallace replaced him as honorary treasurer from 17th November 2010.

### **Governance**

The Board of directors is responsible for the governance and, through the Chief Executive, the management of Community First. Community First's Board consists of not less than ten or more than sixteen people. Up to twelve members are elected at the AGM and up to four co-opted by the Board. At the conclusion of each AGM, one third of the Board of directors retires from office. The members of the Board to retire are those who have been in office longest since their last election. Retiring directors are eligible for re-election. At every AGM members of Community First elect Board directors in place of those retiring.

# **COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE (A COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2011***

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The Board, at the first meeting following the AGM, elects the chair, two vice-chairs and the treasurer. Directors have to be either individual members or representatives of member organizations. The directors regularly review the makeup, skills and experience of the Board and engage in open recruitment for additional trustee directors as the need arises. The organization reviews the role descriptions of all Trustees on an annual basis including the specific role descriptions of the honorary officers. The Governance Committee meets at least once a year to review the organizations' governance arrangements and also leads any open recruitment exercise needed to refresh the Board and to fill the skills gaps identified by the annual skills audit. Following a recruitment exercise during the year one new director was co-opted onto the Board in November 2010.

All Trustees give of their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

## **Trustees induction and training**

Trustees are also directors of Community First. They bring a broad range of skills and experience from the voluntary and community sector to support the governance of the organization. A skills audit is used to identify any additional training or skills development needs and this information is used to frame briefing or training sessions for directors on an individual or collective basis as appropriate. All new directors attend an induction meeting with the Chair and Chief Executive, receive a copy of the directors' handbook which has been reviewed and updated during the year and are expected to participate in any programme of familiarization, skills development or training agreed as part of the induction process. Two Board 'away days' were held during the financial year to review and agree the key elements of the organization's strategic aims, objectives and priorities going forward and to review Board performance and effectiveness.

## **Organisational structure**

The directors are responsible for setting the strategic direction of the organization and for monitoring progress. During the year Board meetings were held on five occasions to oversee the delivery of the organization's corporate and operational plans and to review the risks and opportunities facing the charitable company on an ongoing basis. The Board receives regular reports from the Finance and Personnel Committee which met seven times during the year to advance specific human resource and financial planning issues and to ensure that appropriate policies and procedures are in place and are regularly reviewed. The Board is further advised on issues relating to governance and trustee recruitment by the Governance Committee which meets as required to advance specific governance related tasks. The Remuneration panel met on one occasion during the year. The Remuneration Panel, the Finance and Personnel Committee and the Governance Committee report into the Board and operate within agreed terms of reference which are reviewed on an annual basis.

## **Management**

The Chief Executive reports to the Board, provides directors with strategic and technical advice and support and is responsible for overseeing the day to day operations of the organization and the work of the staff team.

The Chief Executive leads the management team which takes collective responsibility for ensuring organizational efficiency and effectiveness in the delivery of the corporate plan. Operational decisions are delegated to the appropriate programme or project level, accountability is ensured through the internal reporting and line management processes and procedures. During the year a corporate and collective approach to managing change within Community First has been achieved through regular bi-monthly meetings of the management team. This has consisted of managers and programme leads who have met to ensure that Community First adheres to quality standards and delivers consistently in relation to policy and performance across the organization.

Community First is committed to working within the Charity Commission endorsed ACRE (Action with Communities in Rural England) Good Practice Quality Standards for Performance Improvement. Community First has achieved, and continues to operate, at the highest level, level 3, of this quality standard.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**Register of interest**

Board members complete a register of interests on a regular basis. This is updated if needed during the year. Board members are required to declare any interest in relation to specific decisions and agenda items at the start of all Board meetings, or thereafter if relevant topics arise in discussion.

**Related parties**

Community First works with a range of statutory and voluntary sector partners. Total related party transactions for the year amounted to £560,387. Descriptions of related parties and the transactions with them are detailed elsewhere at note 25 of the accounts.

**Risk management**

Community First continually reviews the key risks that the organization faces on an ongoing basis. The Board of directors consider the major risks that the charity faces each financial year when preparing and updating the organization's plans. Systems are in place to monitor and control these risks and to mitigate any impact they may have on the organization in the future. Key strategic, business and operational risks facing the organization are reported in the Chief Executive's report to the Board and reviewed with directors on an ongoing basis as part of the regular cycle of Board meetings.

**Objectives and activities**

**Objects of the charity (from the Memorandum of Association)**

Community First's objects which are to be carried out within the counties of Herefordshire and Worcestershire and their immediately surrounding areas are:

- To develop and to promote all or any charitable purpose for the benefit of the inhabitants of the Area of Benefit by way of the furtherance of all measures leading towards social inclusion and in particular:
  - To advance education, to improve health and to relieve poverty, sickness and distress - without limitation to the generality of the foregoing to provide support for organizations with charitable objectives in order to assist such organizations in their charitable work
  - To promote and to organize co-operation in the advancement of these purposes and to bring together representatives of voluntary organizations, statutory authorities and individuals.

In furtherance of these objects Community First focuses predominantly on supporting and developing the voluntary and community sector within Herefordshire and Worcestershire, on stimulating community involvement and participation to improve services and facilities on the ground and on advocacy and representation to influence change.

Although an independent organization Community First is also an active member of the national network of 37 Rural Community Councils - The Rural Community Action Network (RCAN). ACRE provides the network with a national voice and profile and a focus for its collective endeavour.

Community First in Herefordshire and Worcestershire Training and Advice Limited ("the subsidiary"), is dormant. Details of this company are given in the notes to the accounts.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**Aims, objectives and strategies for the year**

The aims, objectives and activities of Community First are reviewed annually. The review considers what has been achieved and the outcomes from the previous twelve months' work. It also helps to ensure that the organizational aims and activities remain focused on the stated purposes.

Reference has been made to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and when planning future activities. In particular Trustees consider how planned activities contribute to the aims and objectives set.

Community First's mission is to strengthen the role, capacity and influence of the voluntary organizations and community groups in Herefordshire and Worcestershire.

In pursuing its mission, Community First has continued to work to the following corporate aims during the year:-

- To build the capacity of voluntary and community organizations to manage and grow in a sustainable way
- To improve the quality and scope of services delivered by the voluntary and community sector
- To build stronger, more inclusive communities, that provide a good quality of life for everyone
- To increase understanding of the role, function and resources of the sector enhancing its influence in policy development and implementation
- To advance the governance, management and operations of the organization, towards a model of best practice.

In delivering these aims Community First has focused its resources on pursuing the following main strategies and principal activities during the year:-

- Providing technical advice and guidance to support the development of inclusive, sustainable communities through the development of community led plans, local action to address climate change and resource depletion and information and guidance to the large network of voluntary run community buildings and other community owned assets.
- Supporting the development of new initiatives to meet need and in the provision of evidence to influence and improve the services of other public bodies.
- Enabling the provision of affordable housing and the development of transport solutions to address social exclusion and improve the sustainability of rural communities.
- Provision of diagnostic, consultancy and technical support to voluntary and community organizations to improve governance arrangements, employee wellbeing, organizational performance and financial sustainability.
- Delivering training and skills development to volunteers and paid staff involved in managing and providing voluntary and community sector services to improve quality and reach.
- Delivering programmes of funding that enable voluntary and community organizations to grow and deliver new services, reaching out to those at risk of exclusion.
- Collaborative activity with other organizations locally, within the west midlands to improve quality, coverage, integration and sustainability of services.
- Development, support and participation in networks of voluntary organizations to engage with and influence the policies, strategies and delivery mechanisms of the public sector.
- Reviewing and improving internal policies, procedures and processes to ensure continuous improvement in the governance and management of the organization to maximize efficient and effective delivery to users and funders.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**Achievements and performance**

During the year Community First improved and developed performance in a number of key areas of activity. A selection of the main highlights follow.

**Building the capacity of voluntary and community organisations to manage and grow in a sustainable way Community First has:**

1. Delivered a comprehensive package of support to community buildings in both counties. In Worcestershire directly supported 73 Village Halls. This support has involved running local surgery sessions on a postcode basis for Community Building projects to share issues and solutions and provide peer support when appropriate, and one to one visits. An additional focus was on broadening the reach of the service and on supporting the future sustainability of halls. In Herefordshire direct support was given to 103 halls across the county. In addition, support was targeted on halls that were under supported and under resourced;
2. Facilitated the creation and support of a local user-led organization in accordance with the Department of Health guidelines and local commissioning priorities;
3. Provided significant input/consultancy support to a local Third Sector organization seeking to improve its legal structure, governance arrangements and operational effectiveness;
4. Positioned the Wellness Works service in Worcestershire to focus on continuing support and encouragement for well being at work. The programme completed several successful contracts during the year aimed at improving the psychological resilience of people in the workplace. In addition to the Big Lottery programme which concluded in November, a 12 month pilot for the Primary Care Trust entitled Improving Access to Psychological Therapies saw Community First train 34 front line workers in Mental Health First Aid and 70 members of the community register for Moodmaster. The Department of Work and Pensions Challenge Fund programme also supported a further 19 managers to better manage health and well-being in their workplaces;
5. Completed the Grassroots grants programme and during the financial year supported more than 70 groups to enhance and develop their support to individuals in need. The focus now is on funding advice and support for groups;

**Improving the quality and scope of services delivered by the voluntary and community sector Community First has:**

6. Consolidated work with Public Health on Healthy Lifestyle Services (HLS) and the role that voluntary and community sector (VCS) providers have in improving outcomes for individuals;
7. Delivered additional support to the 7 community transport schemes across Herefordshire and helped them to deliver improved services to individuals at risk of rural isolation. The project focused on embedding a community development approach in community transport schemes and specific support to assist these groups to identify and deliver ways of becoming more sustainable in the future;
8. Tendered successfully for the Third Sector Organizations Development Project contract (formerly the Mental Health Development Project), commencing in December 2010 for 3 years. This work will assist Voluntary and Community Organizations involved in mental health support and service provision to improve effectiveness and enhance outcomes for service users;

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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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Building stronger, more inclusive, communities that provide a good quality of life for everyone Community First has:

9. Delivered a Rural Housing Enabler (RHE) project across Worcestershire, engaged with approximately 90 rural communities and undertook a comprehensive survey programme to identify housing needs in local communities. As a result of this needs analysis, the RHE brokered work with key partners to identify land sites, support the development process and bring forward new affordable rural housing schemes specifically for people with a local connection to the local community. During the last 12 months, this work resulted in 10 new homes being built and planning permission being awarded for a further 60 new affordable homes. Forty four affordable homes are presently being built in the area and these are due to be completed during Autumn 2011;
10. Completed a Citywide Community Led Plan, in partnership with Herefordshire Voluntary Action, for Hereford City Council bringing together the views and ideas of hundreds of residents to draw up local action plans. These plans will be used to shape the work of the City Council and encourage local people to get involved in improving their neighbourhoods. This was a major undertaking as it covered 7 ward areas and involved developing new partnerships with another local organisation which led on the 'on the ground' consultations and with local Councillors. The project was closely followed by groups and organisations working in the community planning arena nationally as a pilot for bringing best practice developed in rural areas into an urban setting. The project has been acknowledged as the most successful urban CLP exercise in the country;
11. Continued with the successful strategic partnership approach to delivering support for Community Led Plans (CLP's) in rural communities across Herefordshire. Fifty nine plans in total have been completed across the county. Last year 10 new groups started the process, 11 groups have been supported on their ongoing CLPs and a further 2 groups completed their plan;
12. Launched the Ecohere project in partnership with the Bulmer Foundation during the year. This innovative project has been developed from the Action Research project: Developing Energy Descent Action Plans in local communities. The project aims to support 25 communities over 30 months to reduce their carbon footprint and identify local actions to increase their sustainability;

Increasing understanding of the role, function and resources of the sector and enhance its influence in policy development and implementation Community First has:

13. Represented the VCS (with a partner organisation) on a Strategic Partnership Forum for the Personalisation Agenda, working across sectors to improve knowledge and understanding of this key area of development;
14. Collaborated with partner organisations in the VCS and the public sector to strengthen the 4 specialist networks operated by Community First, increasing membership in each instance and establishing secure funding bases for the key countywide groups for the forthcoming year;
15. Developed close working relationships with the Joint Commissioning Unit through a representative role on the Older People's Consultative Group (OPCG), which in turn ensured that the Older People's Voluntary Sector Services Network (OPVSSN) was recognised as a key partner in the emerging County Ageing Well Strategy;
16. Supported the strategic partnership approach to influence the inclusion of an overall 'rural housing' strategy as part of the new draft Worcestershire County Housing Strategy. Previously, the six strategic housing authorities had developed their own individual district strategies with different rural policies. Community First also took part in the independent consultant's review of rural enabling, provided information and supported county partnership discussions to help influence the future model and direction of travel of rural housing enabling in Worcestershire;
17. Participated in discussions to help formulate the Local Investment Plan (LIP) which sets out the vision for Worcestershire in terms of housing, planning, transport, regeneration, social care, health, infrastructure and employment. Following this work, the LIP submission included rural housing as a strategic priority going forward;

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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18. Collaborated with other partners in the West Midlands Rural Community Action Network to advocate on behalf of rural communities at a regional level. This has included co-hosting two events: Understanding the share of Rural Deprivation (developed by Oxford Consultants for Social Inclusion - OCSI) and a joint event with the County Associations of Local Councils in the region on Participatory Budgeting. Research has also been undertaken and a report, guidance and promotional DVD produced on urban Community Led Planning;
19. Commissioned work on behalf of local partners in both counties aimed at improving and simplifying the leadership and engagement mechanisms available to the VCS to engage with public sector partners. The work is aimed at streamlining and clarifying existing arrangements to maximise impact and influence of the sector on future public sector policy development and strategic decision making going forward;

Advancing the governance, management and operations of the organisation, as a model of best practice Community First has:

20. Achieved ACRE Quality Standards Level 3 and Charity Commission endorsement;
21. Advertised for and recruited a treasurer/trustee to replace the retiring honorary treasurer;
22. Reviewed back office costs and made significant savings and initiated opportunities for back office functions to generate an income stream enabling additional resources to be dedicated to front line delivery. These included HR Direct, payroll and a recently introduced independent examination service;
23. Introduced a new membership package which included an annual employment law briefing tailored for the voluntary and community sector. Delivered in partnership with a leading employment law specialist the briefing held in both Herefordshire and Worcestershire was received with high praise by over 50 attendees. The sessions provided a basic but very informative and user friendly update about good employment practice in line with legislation suitable for VCS employers with one or more employees;
24. Taken a lead in 'on line' service delivery locally, providing training and advice via web conferencing in an effort to reduce county wide travel. Developed a fortnightly e-bulletin offering a digest of all the latest news, events and funding opportunities for the sector locally. This is sent to 1200 mailboxes and is electronically tracked enabling the organisation to produce detailed reports on open rates and click through rates. In addition the recently introduced Twitter feed is proving very popular with local groups;

**Financial review**

During the financial year, Community First continued to utilize best practice full cost recovery principles, adapted from the ACEVO model, in its financial budgeting. This reflects more accurately the cost of running the organization's activities and highlights those areas of work which are under resourced.

The directors report net outgoing resources of £ 2,707 (31 March 2010 incoming £92,547). Gains on investments amounted to £256. This results in a net decrease to the fund balances at 31 March 2011 of £2,451. The closing fund balances at 31 March 2011 were £411,516.

The financial year ending 31 March 2011 has, as predicted in the previous year's report, been a period of change. In the previous financial year Trustees decided to utilize reserves to facilitate a restructuring of the organization in order to make longer term savings and improve efficiency and effectiveness going forward. Conscious of the financial challenges ahead the organization has worked hard during the year to ensure the rebuilding of these reserves. As expected, national and local funding partners continue to alter the way in which funding for organizations like Community First is allocated and distributed. Community First has continued to fulfill an accountable body function in support of a number of organizations delivering support services in partnership.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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The statement of financial activities (SOFA) shows that the total incoming resources for the year were £1,792,770 compared with £1,840,467 for the previous year.

During the year Community First received funding from 42 different sources; £1,608,215 restricted £184,555 unrestricted. A list of the principal funding sources is included in the appendix to this report. All incoming resource for the year has been secured specifically to advance the charity's strategic objectives primarily through the provision of information, advice, specialist technical support, training and grants/funds administration.

**Reserves policy**

The directors have examined the requirement for free reserves, which are those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The free reserves of the charity at 31 March 2011 were £283,125 (31 March 2010 £228,606). The level of reserves is kept under regular review during the year to ensure that sufficient funds are put aside to provide flexibility to cover temporary timing differences in grant claims and to ensure adequate working capital and a contingency to manage the financial risks associated with certain funding streams and contractual obligations. Given the likely medium and longer term financial challenges facing the sector in general and Community First more specifically, trustees have agreed that an increase in the reserves policy would be wise at the current time.

Quantitatively, Community First therefore aims to hold free reserves equivalent to not less than two months budgeted expenditure and not more than six months budgeted expenditure. This reflects the risks it faces going forward and that, as a charitable organization, its primary purpose is to be of service to the people of Herefordshire and Worcestershire rather than to accumulate money.

**Investment policy and performance**

In accordance with the trust deed, the directors have the power to invest in such markets as they see fit. The investment strategy takes account of the short-term demand for funds, and considers the income requirements and the risk profile. The aim of the directors is to maximize the return on cash, whilst investing in low risk investments. Investment performance is regularly monitored.

**Grant making policy**

Community First administers grants on behalf of other charitable trusts and government organizations that further the charity's objectives. The grant making processes are agreed with the funders at the outset and ensure separation of development and support functions from decision making by the recruitment of independent assessors. Grants are paid on respective merits.

Community First's unrestricted funds are not utilized for grant giving purposes unless agreed by resolution of the Trustees. Arrangements are in place to segregate grant making decisions, ensuring conflicts of interest are avoided.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2011***

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**Future developments**

As the year progressed it became clear that Community First needed to review its internal capacity and skills set in the light of the developing 'Big Society' and 'Localism' policy context and in relation to the reducing public sector resources available to support its work going forward. This led to a reshaping and reprioritization of work and resulted in a restructuring of the staff team at the cusp of the year (March 2011) to maximize the efficient and effective delivery of the organization's work going forward.

Community First will continue to work with a wide range of partners to pursue its objectives and vision for Herefordshire and Worcestershire. A vision where strong, diverse, vibrant, inclusive and well-equipped community groups and voluntary organizations empower people to address the changing needs of their communities.

The year ahead will see the organization continue to focus its energies and activities in line with its current strategic plan on its main aims as listed on page 3.

In delivering these key aims the organization will be pursuing a range of activities and will be seeking to maintain and build on existing services where a sector need has been identified and evidenced. We will continue to pilot new services in response to need whenever appropriate and the opportunity arises. We will be seeking to work with other partners from the statutory sector to build their knowledge and skills in working with the voluntary and community sector and with other voluntary and community sector support organizations to improve collaboration in service delivery wherever possible.

We recognize that the current and foreseeable economic and public sector funding climate is extremely challenging and that organizations like Community First will need to be able to prove effective impact and that maximum resource is being focused on front line services. To this end, with fewer resources at our disposal we will be seeking to simplify our management systems using ICT more effectively wherever possible. We will also be building on our current work to maximize the use of ICT in the delivery of our services whenever possible and appropriate for end users.

We will be continuing with our joint working in relation to strategic influencing on behalf of rural communities and will further develop our collaborative delivery with members of the Rural Community Action Network (RCAN) at a regional and national level as appropriate.

Community First recognizes a need to continue to build a greater reliance on alternative models for resourcing its work going forward including increasing the element of income from sources other than the public purse. This will continue to build on and grow the relationship the organization has with its members. Community First will need to remain flexible in its approach whilst retaining a focus on the agreed strategy, core purpose and values. In the period of uncertainty that is inevitably ahead Community First will continue to focus on being 'fit for the future':- growing its capacity and skills in response to new developments; continuing to develop earned income opportunities; reviewing its cost base and focusing on back office efficiency savings with other organizations whenever appropriate. In addition the organization will also keep under review its contractual relationship with staff to maximize flexibility whilst ensuring that it maintains good employment practices and addresses key risk management issues.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2011***

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**Key Objectives for 2011-2012**

Community First's key themes and objectives for the year ahead are:

Sustainable Communities - engaged and influencing

- Develop a community led planning support service in Worcestershire.
- Complete pilot projects in the Malvern Hills area on rural deprivation and community engagement to support the development of a countywide joint project with the County Associations for Local Councils in Worcestershire.
- Utilise research into rural disadvantage in Worcestershire to raise the profile of needs and opportunities and to influence future decision making and resource allocation.
- Support 10 communities undertaking the development of a Sustainability Action Plan and enable the communities to implement the actions highlighted.
- Progress and maintain the support provided to Community Building groups across both counties and address the opportunities afforded by public sector asset transfer.
- Maintain support for rural housing enabling in Worcestershire and develop new approaches to the work in response to the localism agenda and the changing needs of partners.

Sustainable Organizations - resourced, supported and informed

- Build on and grow current business support offered to voluntary organisations and community groups in response to identified needs and opportunities.
- Strengthen the relationships, communications and understanding between the public and voluntary sectors in order to improve health and care services in Worcestershire.
- Enhance social enterprise support and development to the sector and, with partners, improve the focus, coordination and support for social enterprise activity across the 2 counties.
- Build on the achievements of the Wellness Works (emotional well being in the workplace) and GetwithIT (ICT advice and support) programmes of support and implement appropriate succession strategies.
- Expand opportunities for supporting professional development in the sector, tailoring mainstream provision for appropriateness and accessibility.

Sustainable Delivery - coordinated, economic, efficient and effective

- Maximise performance in the delivery of support services to front line organizations across Herefordshire and Worcestershire.
- Work with partners to implement the review of third sector support services in Herefordshire to maximize economy, efficiency and effectiveness going forward.
- Support the establishment of the 3rd Sector Board in Herefordshire to develop an effective leadership and influencing role with and on behalf of the sector locally.
- Take forward, in collaboration with partners, similar work in Worcestershire to streamline and improve the leadership and engagement mechanisms available to the VCS to engage with and influence the agenda's of public sector partners across Worcestershire.
- Enhance the effectiveness of current collaborative arrangements and joint working with West Midlands Rural Community Action Network to improve influence and maximise benefits of joint working.
- Strengthen our advocacy and influencing role by growing and sustaining our intelligence about the sector and improving opportunities for dialogue, particularly valuing our members.
- Continually improve our internal governance and management arrangements to ensure we are operating efficiently, effectively and in line with best practice.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**Acknowledgements**

The Trustees want to thank all those who contribute to Community First's success: - funders; honorary officers; staff colleagues; volunteers, partner agencies and the many social enterprises and voluntary and community organizations that work with us.

**Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**Auditors**

A resolution proposing that Kendall Wadley LLP be reappointed as auditors of the company will be put to the members.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of directors



**Mrs. Magda Prail**

Director

Dated: 27 September 2011

# **COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE (A COMPANY LIMITED BY GUARANTEE) STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors, who also act as trustees for the charitable activities of Community First in Herefordshire and Worcestershire, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT**

**TO THE DIRECTORS OF COMMUNITY FIRST IN HEREFORDSHIRE AND  
WORCESTERSHIRE**

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We have audited the accounts of Community First in Herefordshire and Worcestershire for the year ended 31 March 2011 set out on pages 15 to 38. 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 trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors, who also act as trustees for the charitable activities of Community First in Herefordshire and Worcestershire, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The directors have elected for the accounts to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 26 to the accounts.

**Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

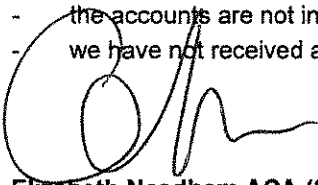
**TO THE DIRECTORS OF COMMUNITY FIRST IN HEREFORDSHIRE AND  
WORCESTERSHIRE**

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

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Directors' Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**Elizabeth Needham ACA (Senior Statutory Auditor)  
for and on behalf of Kendall Wadley LLP**

**Chartered Accountants**

**Statutory Auditor**

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 27 September 2011

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b><u>Incoming resources from generated funds</u></b>						
Donations and legacies	2	823	-	-	823	250
Activities in furtherance of the charity's objects	3	169,436	-	1,604,763	1,774,199	1,789,220
Investment income	4	7,032	-	101	7,133	3,241
		<u>177,291</u>	<u>-</u>	<u>1,604,864</u>	<u>1,782,155</u>	<u>1,792,711</u>
Other incoming resources	5	7,264	-	3,351	10,615	47,756
<b>Total incoming resources</b>		<u>184,555</u>	<u>-</u>	<u>1,608,215</u>	<u>1,792,770</u>	<u>1,840,467</u>
<b><u>Resources expended</u></b>						
<b>Charitable activities</b>						
Provide & accommodate project workers	6	70,411	-	978,165	1,048,576	1,029,746
Programme running costs		(2,852)	-	444,560	441,708	362,728
Grants payable		-	-	260,396	260,396	324,166
<b>Total charitable expenditure</b>		<u>67,559</u>	<u>-</u>	<u>1,683,121</u>	<u>1,750,680</u>	<u>1,716,640</u>
Governance costs		44,796	-	1	44,797	31,280
<b>Total resources expended</b>		<u>112,355</u>	<u>-</u>	<u>1,683,122</u>	<u>1,795,477</u>	<u>1,747,920</u>
<b>Net incoming/(outgoing) resources before transfers</b>		<u>72,200</u>	<u>-</u>	<u>(74,907)</u>	<u>(2,707)</u>	<u>92,547</u>
Gross transfers between funds	13	(23,235)	(28,000)	51,235	-	-
<b>Net incoming/(outgoing) resources</b>		<u>48,965</u>	<u>(28,000)</u>	<u>(23,672)</u>	<u>(2,707)</u>	<u>92,547</u>
<b>Other recognised gains and losses</b>						
Gains on investment assets		256	-	-	256	6,075
<b>Net movement in funds</b>		<u>49,221</u>	<u>(28,000)</u>	<u>(23,672)</u>	<u>(2,451)</u>	<u>98,622</u>
Fund balances at 1 April 2010		<u>245,528</u>	<u>144,797</u>	<u>23,672</u>	<u>413,997</u>	<u>315,375</u>
<b>Fund balances at 31 March 2011</b>		<u>294,749</u>	<u>116,797</u>	<u>-</u>	<u>411,546</u>	<u>413,997</u>

The results set out in the Consolidated Statement Of Financial Activities are those of the group.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
Total income	1,792,770	1,840,467
Total expenditure from income funds	1,795,477	1,747,920
<b>Net (expenditure)/income for the year</b>	<b>(2,707)</b>	<b>92,547</b>

The summary income and expenditure account is derived from the statement of financial activities on page 15 which, together with the notes on pages 19 to 38, provides full information on the movements during the year on all funds of the charity.

**STATEMENT OF RECOGNISED GAINS AND LOSSES**

<b>Net (expenditure)/income for the year</b>	<b>(2,707)</b>	92,547
Unrealised gains on investment assets held by income funds	256	6,075
	<b>(2,451)</b>	<b>98,622</b>

The results set out in the Consolidated Summary Income And Expenditure Account are those of the group.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEETS  
AS AT 31 MARCH 2011**

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
<b>Fixed assets</b>					
Tangible assets	15	11,624	16,922	11,624	16,922
Investments	16	18,566	18,310	18,567	18,311
		<u>30,190</u>	<u>35,232</u>	<u>30,191</u>	<u>35,233</u>
<b>Current assets</b>					
Debtors	17	139,225	194,224	139,677	194,661
Cash at bank and in hand		605,157	633,243	605,073	633,159
		<u>744,382</u>	<u>827,467</u>	<u>744,750</u>	<u>827,820</u>
<b>Creditors: amounts falling due within one year</b>	18	<b>(115,640)</b>	<b>(282,789)</b>	<b>(115,640)</b>	<b>(282,789)</b>
		<u>628,742</u>	<u>544,678</u>	<u>629,110</u>	<u>545,031</u>
<b>Net current assets</b>		<b>628,742</b>	<b>544,678</b>	<b>629,110</b>	<b>545,031</b>
<b>Total assets less current liabilities</b>		<b>658,932</b>	<b>579,910</b>	<b>659,301</b>	<b>580,264</b>
<b>Deferred income</b>	19	<b>(247,386)</b>	<b>(165,913)</b>	<b>(247,386)</b>	<b>(165,913)</b>
<b>Net assets</b>		<b>411,546</b>	<b>413,997</b>	<b>411,915</b>	<b>414,351</b>
<b>Income funds</b>					
Restricted funds	21	-	23,672	-	23,672
Designated funds	22	116,797	144,797	116,797	144,797
Unrestricted funds		294,749	245,528	295,118	245,882
		<u>411,546</u>	<u>413,997</u>	<u>411,915</u>	<u>414,351</u>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEETS (CONTINUED)  
AS AT 31 MARCH 2011**

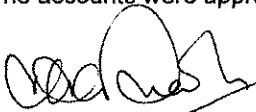
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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2011, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Board on 27 September 2011



Mrs. Magda Prail  
Director



Mrs. Deborah Summerfield  
Director

Company Registration Number: 02504158

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Companies Act 2006, the Charities Act 1993 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 Incoming resources**

Donations are recognised on a receivable basis.

Project income is recognised over the period to which it relates, which is usually in line with the progression of the project as defined by the funding contracts with the funders of the projects. Where it is impractical to measure the progression of the projects other than by costs expended on each project, the income deemed to be earned is calculated in reference to the total expenditure to date spent on each project. Project income received or invoiced in advance not considered recognisable in the current financial year is deferred until such time that it is considered receivable. Project income earned but not received is accrued for.

Investment income is recognised on a receivable basis.

Other incoming resources are on a receivable basis over the period to which they relate.

**1.3 Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where expenditure is directly attributable to specific activities it has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Governance costs include direct and related support costs relating to the governance infrastructure allowing the charity to generate information required for public accountability.

All costs are stated including irrecoverable input VAT paid.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	33% of cost
Fixtures, fittings & furniture	15% of net book value
Motor vehicles	25% of net book value

Directors adopt a policy of capitalising assets when they are held for long-term use and when their value exceeds £500.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**1 Accounting Policies**

**(continued)**

**1.5 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**1.6 Investments**

Investments in CAF UK equity funds are revalued at mid-market value at the year end. Any gains or losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

Investments in subsidiary undertaking is stated at cost.

**1.7 Pensions**

The organisation operates a defined contributions pension scheme and a multi-employer defined benefit pension scheme to be treated as a defined benefit pension scheme as the charity is unable to identify the relevant share of underlying assets and liabilities in the pension fund. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

**1.8 Fund Accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of these funds is set out in the notes to the financial statements.

Funds are treated as restricted if the donor places specific restrictions upon them.

Transfers between funds are carried out at the discretion of the directors.

**1.9 Group Accounts**

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary Community First in Herefordshire and Worcestershire Training and Advice Limited on a line by line basis. All group companies are included in the consolidated accounts. A separate Statement of Financial Activities of the charity is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of the SORP.

**2 Donations and legacies**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Donations and gifts	<b>823</b>	<b>250</b>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**3 Activities in furtherance of the charity's objects**

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Activities in furtherance of the charity's objects	169,436	1,604,763	1,774,199	1,789,220
<b>Net activities in furtherance of the charity's objects</b>	<b>169,436</b>	<b>1,604,763</b>	<b>1,774,199</b>	<b>1,789,220</b>

**4 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Income from listed investments	789	-	789	705
Interest receivable	6,243	101	6,344	2,536
	<b>7,032</b>	<b>101</b>	<b>7,133</b>	<b>3,241</b>

**5 Other incoming resources**

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Subscriptions	6,824	-	6,824	8,400
Other fees	440	3,351	3,791	39,356
	<b>7,264</b>	<b>3,351</b>	<b>10,615</b>	<b>47,756</b>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**6 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2011 £	Total 2010 £
<b>Charitable activities</b>						
<u>Provide &amp; accommodate project workers</u>						
Activities undertaken directly	725,079	6,381	317,116	-	1,048,576	1,029,746
<u>Programme running costs</u>						
Activities undertaken directly	-	-	441,708	-	441,708	362,728
<u>Grants payable</u>						
Grant funding of activities	-	-	-	260,396	260,396	324,166
	<b>725,079</b>	<b>6,381</b>	<b>758,824</b>	<b>260,396</b>	<b>1,750,680</b>	<b>1,716,640</b>
<b>Governance costs</b>	<b>34,120</b>	<b>-</b>	<b>10,677</b>	<b>-</b>	<b>44,797</b>	<b>31,265</b>
	<b>759,199</b>	<b>6,381</b>	<b>769,501</b>	<b>260,396</b>	<b>1,795,477</b>	<b>1,747,905</b>

Included in governance costs are costs payable to the auditor, including irrecoverable input VAT, amounting to £2,933 (2010 £3,288) for audit and accounts preparation services.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**7 Activities undertaken directly**

	Unrestricted Funds	Restricted Funds	2011 £	2010 £
<b>Other costs relating to provide &amp; accommodate project workers comprise:</b>				
Staff training and conferences	1,787	12,904	14,691	14,227
Publications	-	-	-	115
Subscriptions	7,571	2,140	9,711	8,286
Office running costs	2,251	153,831	156,082	155,047
Legal and professional fees	2,368	16,975	33,950	-
Consultancy fees	543	90,740	91,283	76,106
Events organised	1,519	1,427	2,946	2,972
Travel expenses	4,892	15,626	20,518	18,377
Other staff expenses	70	302	372	1,164
Staff recruitment costs	-	-	-	4,877
Bad debt provision	2,170	-	2,170	4,543
	<u>23,171</u>	<u>293,945</u>	<u>317,116</u>	<u>287,625</u>

The above costs are allocated to each fund based on estimated staff time undertaken in delivery of each project.

Consultancy fees consists of expenditure relating to research and advice undertaken to enhance delivery capacity.

**Other costs relating to programme running costs comprise:**

Direct project expenditure	(2,852)	444,560	441,708	362,728
	<u>(2,852)</u>	<u>444,560</u>	<u>441,708</u>	<u>362,728</u>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**8 Grants payable**

	Total 2011 £	Total 2010 £
<b>Grassroots Grant Fund</b>		
Greenwoods	-	5,800
9th Worcester Hallow Scout Group	-	5,000
Alvechurch Village Hall	-	5,000
Alvechurch Youth Club	5,000	-
Ashton Somerville Childrens Project	-	5,000
Bliss Gate Playing Field	5,000	-
Bredon Community Play & Recreation	-	5,000
Charford ABC Project	-	5,000
Droitwich Spa Judo Kan & Westlands Judo Club	5,000	-
Evesham & Pershore Mind	-	5,000
Evesham & Pershore Shopmobility	5,000	-
Fechen Odeon Cinema Society	5,000	-
For Droitwich Spa	-	5,000
Garage Arts Group	-	5,000
Gloverspice Mini-Farm	5,000	-
Harvington Youth Project	5,000	-
Heightington Village Hall	-	5,000
Hon Yoso Kai Karate School	5,000	-
Honeybourne VESA	5,000	-
I-Camp	5,000	-
Kidderminster Harriers Football In The Community	5,000	-
Kings Norton Rhinos	-	5,000
Lickholl Tenants & Residents Association	5,000	-
Malvern 925 Management	-	5,000
Perdiswell Playscheme	-	5,000
Pershore & District Older People's Forum	-	5,000
Reddishare	5,000	-
Redditch Wheels Skate Park	-	5,000
Ripple Parish Hall	5,000	-
Suckley & Alfrick Pre-School	5,000	-
The Domino Club	-	5,000
Three Parishes Hall	5,000	-
Trimpley Village Hall	5,000	-
Wednesday Comet Group	-	5,000
Westglen Heelwork To Music Club	5,000	-
Westlands Junior Club	-	5,000
Worcestershire Chinese Association	5,000	4,100
Youth Comm Radio	5,000	-
Rubric	4,980	-
Get It Right Warndon	4,950	-
Callow End Playing Fields	-	4,917
Malvern Comets Netball Group	4,861	-

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

Malvern Springs Netball Team	<b>4,724</b>	-
Tenbury Area Partnership	-	4,710
FPC Allotments & Conservation Club	<b>4,671</b>	-
Afro-Caribbean Association	<b>4,650</b>	-
KD15 Scout Group	-	4,587
Dolphin Road Allotment Association	<b>4,500</b>	-
Matley Village Hall	-	4,500
233 Pershore Squadron	<b>519</b>	4,481
Disabled Answers	-	4,375
New Hope Worcester	<b>4,327</b>	-
1st Malvern, The Boys Brigade	<b>4,220</b>	-
Rivendell Mount - PC2U	<b>4,203</b>	-
ARMCHAIR	<b>4,107</b>	-
Worcester Contact Centre	<b>4,100</b>	850
Castlemorton Parish Hall Trust	<b>3,750</b>	-
Clow Top Village Hall	-	3,700
1st Callow End Rainbows	-	3,681
Red Devils Rounders Group	<b>3,664</b>	-
Make Time Friendship Group	-	3,640
Redditch Stroke Support Group	<b>3,511</b>	-
Matchborough West Comm Group	<b>3,475</b>	-
KGV Playscheme	<b>3,400</b>	1,575
Strensham Village Hall	-	3,384
Perdiswell Mature Club	-	3,315
The Bridge Expressive Arts Project	<b>1,700</b>	3,300
Headless Cross Methodist Church Outreach Ltd	<b>3,191</b>	-
Malvern Community Gardners	-	3,050
Evesham Stroke Club	<b>3,000</b>	-
Pershore Heritage & History Society	<b>3,000</b>	-
Worcestershire Parent & Carers' Council	<b>2,020</b>	2,980
Positive Thoughts	<b>2,911</b>	-
Fairfield Seniors Club	-	2,811
Alfleck, Leigh & Bransford Parent & Toddler Group	<b>2,530</b>	-
The Bridge Baby & Toddler Group	<b>2,496</b>	2,504
Charlton Scout Group	<b>2,500</b>	2,500
KGV Grandee Club	-	2,500
Lord Cobham Worcester Youth Cricket Club	-	2,500
Mentor Link Service CIC	-	2,500
Redditch Polish Afterschool Learning	<b>2,500</b>	2,500
Survivours Club	<b>2,500</b>	2,500
Urban Moves Dance Company	-	2,500
West Indian Association	-	2,500
WMCA	-	2,500
Areley Kings Village Hall	<b>1,740</b>	2,460
7th Malvern Girls Bridage Coy	-	2,450
Wyre Forest GOLD	-	2,445
Olivers Army Rounders Team	<b>1,142</b>	2,380
Signpost	<b>2,346</b>	2,346

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

Sunset Pensioners	-	2,250
1st Worcester Scout Group	2,231	-
Christ Church Youth Project	2,231	-
Powick Playing Fields Association	2,231	-
Kempsey Youth Club	-	2,200
Bredon Youth Group	2,100	2,100
Youth Blackwell	-	2,000
Upton Town Partnership	-	1,950
Dizz Kids	1,900	1,900
Great Witley Baby & Toddler Group	-	1,800
Gheluvelt Park Friends	-	1,700
Stock & Bradley Drop In	-	1,610
Littletons Wednesday Club	1,569	1,569
WRVS Welland Over 60's Cordery Club	1,505	1,270
Trimpley Toddlers	1,500	-
Maypole Club	1,290	1,290
Bromsgrove Carnival	-	1,250
1st Leigh Scout Group	1,169	-
ReAction	-	1,100
Bromsgrove & District Stroke Club	-	1,000
Grants under £1,000 - 19 institutes (2010 - 16 institutes)	13,587	12,209
	<b>237,501</b>	<b>229,039</b>

**Elmley Arts Foundation Grant**

Feral Productions	1,900	-
St Weonards PCC	-	1,664
Benefice Of Ariconium	-	1,000
Cutnall Green & District Memorial Hall	1,000	-
ECHO For Extra Choices In Herefordshire	1,000	-
For Droitwich Spa	-	1,000
Garway Performing Arts	1,000	-
Garway Village Hall	-	1,000
Goodrich Village Hall Trust	1,000	-
Indigo Arts	-	1,000
New Sons Community Arts	-	1,000
PCC Of St Mary's Church	1,000	-
Redditch Choral Society	1,000	-
Simpson Hall	-	1,000
Trimpley Village Hall	1,000	-
Vale Of Evesham Network Of Artists	1,000	-
Wychavon Festival Of Brass	-	1,000
Grants under £1,000 - 22 institutes (2010 - 17 institutes)	12,995	8,597
	<b>22,895</b>	<b>17,261</b>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**Nexus Grants**

Barton Hill Centre	-	5,000
British Red Cross	-	5,000
CHOICES Drug Awareness	-	5,000
Eardisland Community Shop	-	5,000
Fresh Start - New Beginnings	-	5,000
Homestart Shouth Shropshire & Bridgnorth	-	5,000
Wylidwoods	-	5,000
Youth Support Services	-	5,000
Small Woods Association	-	4,975
Wyre Forest Community Action	-	4,850
Acton Mill Care Farm	-	4,638
Age Concern Leominster & District	-	4,535
Festival Housing	-	4,477
WRVS Riverside	-	4,404
The Out Base	-	4,280
OSCA	-	3,270
Age Concern Ross On Wye	-	2,046

- 77,475

**Sundry other grants**

Grants under £1,000 - no institutes (2010 - 2 institutes)	-	391
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- 391

**260,396**      **324,166**

The charity acts as an intermediary between the grant applicants and the grant funders. Each group of grants are paid out of specific funds received by the charity for the purpose of issuing grants to other organisations with the approval of the grant funder.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**9 Governance costs**

	2011	2010
	£	£
Other governance costs comprise:		
Staff training	2,020	14
Professional fees and accreditation fees	2,113	-
Audit and accountancy fees	2,933	3,288
Staff travel expenses	-	97
Telephone and other staff costs	685	-
Directors' travel expenses	1,967	383
Office costs	569	1,141
Sundry expenses	390	254
	<u>10,677</u>	<u>5,177</u>

**10 Directors**

None of the directors (or any persons connected with them) received any remuneration during the year. Directors were reimbursed expenses totalling £1,967 (2010 - £383) during the year.

The charity also received income amounting to £75 (2010 £nil) from 2 trustees.

The Chief Executive was reimbursed travel expenses totalling £2,966 (2010 - £2,310) during the year.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**11 Employees**

**Number of employees**

The average monthly number of employees and full time equivalents during the year was:

	<b>2011</b>	2010	<b>2011</b>	2010
	<b>FTE</b>	FTE	<b>Number</b>	Number
Employees	<u>26</u>	<u>28</u>	<u>32</u>	<u>31</u>

Full time equivalents are based on total hours worked per week compared to a full time equivalent of 37 hours per week

<b>Employment costs</b>	<b>2011</b>	2010
	£	£
Wages and salaries	<b>660,510</b>	655,040
Social security costs	<b>58,679</b>	59,458
Other pension costs	<b>40,010</b>	40,562
	<u><b>759,199</b></u>	<u>755,060</u>

There were no employees whose annual remuneration was £60,000 or more.

**12 Taxation**

Community First's activities during the year were in accordance with its charitable objects and therefore no corporation tax liability arises.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

<b>13</b>	<b>Transfers</b>	<b>2011</b>
		<b>£</b>
	Transfers between funds comprise:	
	<b>Unrestricted fund transfers</b>	
	Release of restricted funds used to purchase fixed assets to unrestricted funds	<b>15,922</b>
	Movement in designated funds set aside for expected future expenditure	<b>28,000</b>
	Overspend on restricted fund projects covered by transfers from unrestricted reserves	<b>(67,157)</b>
		<u><b>(23,235)</b></u>
	<b>Restricted fund transfers</b>	
	Release of restricted funds used to purchase fixed assets to unrestricted funds	<b>(15,922)</b>
	Overspend on restricted fund projects covered by transfers from unrestricted reserves	<b>67,157</b>
		<u><b>51,235</b></u>
	<b>Designated fund transfers</b>	
	Movement in designated funds set aside for expected future expenditure	<b>(28,000)</b>
		<u><b>(28,000)</b></u>
	<b>Net transfers between funds</b>	<u><u><b>-</b></u></u>

**14 Results of company**

The unconsolidated results for the company was as follows:

	2011	2010
	£	£
Total incoming resources	<b>1,792,770</b>	1,840,467
Total resources expended	<b>(1,795,462)</b>	(1,747,905)
	<u><b>(2,692)</b></u>	<u>92,562</u>
Net incoming/(outgoing) resources		
Gains on investment assets	<b>256</b>	6,075
	<u><b>(2,451)</b></u>	<u>98,622</u>
Net movement in funds		
Fund balances at 1 April 2010	<b>414,351</b>	315,714
	<u><b>411,915</b></u>	<u>414,351</u>
Fund balances at 31 March 2011		

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**15 Tangible fixed assets**

	Office equipment	Fixtures, fittings & furniture	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2010	379,465	24,225	5,795	409,485
Additions	1,083	-	-	1,083
Disposals	(117,872)	(4,954)	-	(122,826)
<b>At 31 March 2011</b>	<b>262,676</b>	<b>19,271</b>	<b>5,795</b>	<b>287,742</b>
<b>Depreciation</b>				
At 1 April 2010	374,356	15,537	2,670	392,563
On disposals	(117,872)	(4,954)	-	(122,826)
Charge for the year	4,614	985	782	6,381
<b>At 31 March 2011</b>	<b>261,098</b>	<b>11,568</b>	<b>3,452</b>	<b>276,118</b>
<b>Net book value:</b>				
<b>At 31 March 2011</b>	<b>1,578</b>	<b>7,703</b>	<b>2,343</b>	<b>11,624</b>
At 31 March 2010	5,109	8,688	3,125	16,922

All fixed assets are held by the company. No fixed assets are held by the subsidiary.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**16 Fixed asset investments**

	CAF UK equity funds £	Subsidiary undertaking £	Total £
Market value at 1 April 2010	18,310	1	18,311
Change in value in the year	256	-	256
<b>Market value at 31 March 2011</b>	<b>18,566</b>	<b>1</b>	<b>18,567</b>

**Historical cost:**

<b>At 31 March 2011</b>	<b>20,000</b>	<b>1</b>	<b>20,001</b>
At 31 March 2010	20,000	1	20,001

During the year the CAF UK Equity Growth Fund (Income Units) was wound up and the charity's holdings was transferred to the IM CAF UK Equity B (Income Units).

All fixed asset investments are held by the company. No fixed asset investments are held by the subsidiary. The fixed asset investment in the subsidiary is eliminated on consolidation.

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Community First Training And Advice Ltd	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principle Activities	Capital and reserves	Profit/(loss) for the year
		£	£
Community First Training And Advice Ltd	dormant	(369)	(15)

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**17 Debtors**

	<b>Group 2011</b>	2010	<b>Company 2011</b>	2010
	£		£	£
Amounts owed by group undertakings	-	-	<b>452</b>	437
Other debtors	<b>98,149</b>	144,661	<b>98,149</b>	144,661
Prepayments and accrued income	<b>41,076</b>	49,563	<b>41,076</b>	49,563
	<u><b>139,225</b></u>	<u>194,224</u>	<u><b>139,677</b></u>	<u>194,661</u>

Other debtors are in relation to project income deemed receivable in the current financial year but received after the year end.

**18 Creditors: amounts falling due within one year**

	<b>Group 2011</b>	2010	<b>Company 2011</b>	2010
	£	£	£	£
Taxes and social security costs	<b>16,715</b>	28,489	<b>16,715</b>	28,489
Other creditors	<b>87,750</b>	224,200	<b>87,750</b>	224,200
Accruals	<b>11,175</b>	30,100	<b>11,175</b>	30,100
	<u><b>115,640</b></u>	<u>282,789</u>	<u><b>115,640</b></u>	<u>282,789</u>

Other creditors are in relation to invoices received after the year but relating to the current financial year.

**19 Deferred income**

	<b>Group 2011</b>	2010	<b>Company 2011</b>	2010
	£		£	£
Total deferred income at 1 April 2010	<b>165,913</b>	156,117	<b>165,913</b>	156,117
Amounts received in year	<b>1,686,236</b>	1,850,810	<b>1,686,236</b>	1,850,810
Amounts credited to SOFA	<b>(1,604,763)</b>	(1,841,014)	<b>(1,604,763)</b>	(1,841,014)
	<u><b>247,386</b></u>	<u>165,913</u>	<u><b>247,386</b></u>	<u>165,913</u>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**20 Pension and other post-retirement benefit commitments**

**Worcestershire County Council Pension Fund**

The employer participates in the Worcestershire County Council Pension Fund which is a part of the Local Government Pension Scheme, a multi-employer scheme. The Local Government Pension Scheme is a defined benefits scheme.

Under the Worcestershire County Council Pension Fund the contribution rate required of Community First In Herefordshire And Worcestershire is set on a grouped basis, combining the experience of the employer with a number of other employers also participating in the Worcestershire County Council Pension Fund. Within this group, assets and liabilities of the Worcestershire County Council Pension Fund are not separately identified as part of the triennial actuarial valuations between the various employers participating. As a result Community First In Herefordshire And Worcestershire is unable to identify the relevant share of the underlying assets and liabilities in the Worcestershire County Council Pension Fund. These accounts have therefore been drawn up in accordance with FRS 17 on the basis that the pension cost is accounted for as for a defined contribution scheme.

Information about the overall funding position of the Worcestershire County Council Pension Fund was provided by the actuary to the Worcestershire County Council Pension Fund in his report dated March 2011 on the actuarial valuation of the Worcestershire County Council Pension Fund as at 31 March 2010. That valuation showed that the overall funding position of the Worcestershire County Council Pension Fund as a whole was 69%, the deficit being £613m. The contributions payable by the employers participating in the grouping to which Community First In Herefordshire And Worcestershire belongs, are based on the position of the group as a whole within the Worcestershire County Council Pension Fund, which is reassessed at each triennial valuation.

The next actuarial valuation of the Worcestershire County Council Pension Fund will be carried out with an effective date of 31 March 2013, with revised contribution rates being effective from 1 April 2014.

During the year the charity paid pension costs on behalf of their employees to Worcestershire County Council Pension Fund amounting to £13,550. At the year end the charity had outstanding pension contributions payable to the Worcestershire County Council Pension Fund of £1,497 (2010 £1,365) included in other creditors.

**Clerical Medical**

The charity also operates a defined contribution pension scheme with Clerical Medical. During the year the charity paid pension costs on behalf of their employees to Clerical Medical amounting to £26,460. At the year end the charity had no outstanding pension contributions payable to Clerical Medical.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**21 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2011
	Balance at 1 April 2010	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Grassroots Grants Fund	-	373,318	(374,680)	1,362	-
WIC Modernising Fund	-	330,280	(332,696)	2,416	-
Well Being At Work	-	176,704	(176,704)	-	-
BASIS - E-Volution ICT Support Project	-	113,232	(113,232)	-	-
Hereford City Plan	-	85,241	(88,836)	3,595	-
RCAN Co-Ordination	-	77,154	(77,154)	-	-
Rural Housing Enabler	-	70,158	(69,626)	(532)	-
Mental Health Development	-	61,816	(62,058)	242	-
Consortium Development	-	58,132	(58,271)	139	-
Community Buildings	-	45,962	(47,475)	1,513	-
ERDF Social Enterprise	-	38,795	(44,625)	5,830	-
ICT Champion	-	36,000	(36,480)	480	-
Leader Community Led Planning	-	30,553	(46,015)	15,462	-
Elmley Arts Foundation	-	26,822	(26,822)	-	-
Hereford Sector Strategic Board	-	15,500	(15,509)	9	-
PTLLS Project	-	11,050	(13,312)	2,262	-
ABG Sustainable Transport	-	9,934	(9,934)	-	-
Get With It	-	9,516	(13,070)	3,554	-
LSIS Fircroft Project	-	8,050	(8,051)	1	-
REACH Environmental Sustainability	-	7,707	(11,435)	3,728	-
Calor Free Project	-	7,697	(7,697)	-	-
Worcester LEP Engagement	-	7,080	(7,080)	-	-
Co-Op Enterprise Hub	-	4,376	(4,376)	-	-
Winn	-	3,050	(28,953)	25,903	-
Tangible Fixed Assets Fund	14,839	-	-	(14,839)	-
Training Fund	8,833	-	(8,833)	-	-
Sundry Small Projects	-	86	(196)	110	-
	<b>23,672</b>	<b>1,608,215</b>	<b>(1,683,122)</b>	<b>51,235</b>	<b>-</b>

Restricted funds represent monies received to undertake specific projects and the associated expenditure in carrying out those projects.

The tangible fixed asset fund represents the net book value of fixed assets purchased with restricted income. During the year this fund was released into unrestricted funds.

The training fund represents money to be spent on sector specific training as specified by the donor.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**22 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2011
	Balance at 1 April 2010	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Organisational redevelopment and realignment	50,000	-	-	-	50,000
Bidding capacity	10,000	-	-	-	10,000
Health & social care delivery 2010/11	25,000	-	-	(25,000)	-
Office relocation	30,000	-	-	-	30,000
Reshaping service delivery	10,000	-	-	(10,000)	-
Rebranding & conference 2010	10,000	-	-	(10,000)	-
Staffing reserve	9,797	-	-	17,000	26,797
	<u>144,797</u>	<u>-</u>	<u>-</u>	<u>(28,000)</u>	<u>116,797</u>

The organisational redevelopment fund is to support the redevelopment, restructuring and realignment of the whole charity. A fund for £10,000 has been set aside to reshape the way we deliver specific services in response to the changing environment, funding availability and needs of customers.

The fund for 'bidding capacity' is to increase staff capacity and enable the organisation to respond to new funding or income generation opportunities when relevant.

A fund of £25,000 was designated to support currently unresourced delivery in Health & Social Care and has been utilised during the year.

The office relocation fund is designated to support any necessary office move at either the Hereford or Malvern site.

£10,000 was designated for use during 2010 to support an organisational rebranding exercise including a conference to launch the new look and services.

A designated fund of £9,797 is to recognise that the charity bears the cost of general administration and associated staff along with the need to retain or train specific skills to cover maternity or long term absence.

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**23 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	11,624	-	-	11,624
Investments	18,567	-	-	18,567
Current assets	352,308	116,797	275,276	744,381
Creditors: amounts falling due within one year	(87,750)	-	(27,890)	(115,640)
Accruals and deferred income	-	-	(247,386)	(247,386)
	<u>294,749</u>	<u>116,797</u>	<u>-</u>	<u>411,546</u>
Unrealised gains/(losses) included above:				
On investments	(1,434)	-	-	(1,434)
	<u>(1,434)</u>	<u>-</u>	<u>-</u>	<u>(1,434)</u>
Reconciliation of movements in unrealised gains/(losses):				
Unrealised gains at 1 April 2010	(1,690)	-	-	(1,690)
Net gains on revaluations in year	256	-	-	256
Unrealised gains at 31 March 2011	<u>(1,434)</u>	<u>-</u>	<u>-</u>	<u>(1,434)</u>

**24 Commitments under operating leases**

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Within one year	-	22,250	4,509	4,415
Between two and five years	50,490	39,157	-	-
	<u>50,490</u>	<u>61,407</u>	<u>4,509</u>	<u>4,415</u>

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE  
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NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**25 Related parties**

The wholly owned subsidiary, Community First in Herefordshire and Worcestershire Training and Advice Ltd had no trading activities in the year.

The holding company is limited by guarantee, not having a share capital and is registered as a charity.

During the year Community First has engaged in financial transactions with Worcestershire County Council, Advantage West Midlands (AWM), LEADER and Action with Communities in Rural England (ACRE) see summary below.

Community First's Chief Executive, Richard Quallington, is currently a board member of ACRE, a member of the Herefordshire LEADER Local Action Group (LAG) and was a board member of the Rural Regeneration Zone until its cessation at the end of the financial year. Former Honorary Treasurer, Mike Weaver was the Director of Financial Services at Worcestershire County Council until his retirement from his employment by Worcestershire County Council on 31 August 2010. Community First's President, Professor Michael G Clarke, was a non-executive Chairman of the Regional Marketing Board (AWM) until 31 March 2011. Trustee Deborah Summerfield is an employee of British Red Cross, and a close relative of hers is a councillor with Herefordshire Council and Hereford City Council. Rev. Nick Read and Magda Prail are both trustees of Kairos who is a partner to the REACH HVA project. All potential conflicts of interest are declared and governance mechanisms and processes are in place in relation to each of these related party transactions.

	<b>Project Income</b>	<b>Other Income</b>
Worcestershire County Council	£218,608	£404
Advantage West Midlands	£18,210	-
ACRE	£130,622	£500
British Red Cross	-	£108
Herefordshire Council	£116,609	£1,228
Hereford City Council	£83,908	-
REACH HVA	£13,011	-

**26 Auditors' Ethical Standards**

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.