



Annual Report

April 2022 to March 23



OUR MISSION STATEMENT IS: -

To relieve the effects of poverty for families and individuals with needs recognised by approved referral agencies in Southampton and the surrounding area and to support likeminded organisations.

CHAIR'S REPORT FOR 2022 to 2023

Someone - I don't know who, but they're cleverer than I am - once said that you should work like that was the only thing that made a difference and also pray like that was the only thing that made a difference. I think that's a pretty good way for any Christian based organisation to go about its business, and it reflects both the ethos of SCRATCH and the hard work that our team of employees and volunteers has put in to serve its clients.

Every year the demand for our services seems to increase and 2022/23 was no exception. We saw an increase in clients and volunteers, with a slightly different demographic of people on both counts. When we're providing a package of furniture and bedding for a Ukrainian family or a delivery of Christmas parcels for children in an Afghan refugee family, it brings the news headlines very close to home.

Our staff and volunteers continue to be the heart and soul of the organisation. From doing their very best for our clients, to developing the outside area to make it a delightful place for people to spend breaks in, to interacting with our corporate supporters, they put their hearts and souls into everything.

But none of this would be possible without the financial support we get. From those who commission our services, such as Southampton City Council with whom we've worked successfully for years. From grant providers such as the National Lottery. From our many individual, church or corporate supporters. The vast majority of what we receive translates straight into practical help for those in hardship: a new washing machine so people can go to a job interview in clean clothes; a set of bunk beds so that children don't have to sleep on the floor so wake up refreshed; a package of toys and gifts for a footie-mad youngster who shouldn't be allowed to miss out at Christmas.



Ann, pictured right with a group of our Christmas Complete volunteers

Here's to another successful year in 2023/24.

Ann Laird, Chair

SENIOR MANAGEMENT TEAM REPORT

After many years of writing reports reflecting on the previous year's activity it would be easy to say it's business as usual but busier than ever before, that would not be untrue of this year either! As we continue to assist the neediest in society through the provision of furniture, appliances, paint, electric top up and Christmas presents - and the area we operate in continues to expand - it is fair to say that we have had our busiest ever year at SCRATCH. But that only tells half the story. As the cost-of-living crisis hits the UK it is those with the least who are hit the hardest and the services we supply become more critical than ever and can make life changing differences to some of our clients.

The biggest difference we have seen this year is in the demographic of our volunteer team. For many years we have struggled to recruit enough volunteers capable of completing the tasks required and have had to rely on an ever-decreasing pool of personnel which reduced to a critical level at the end of 21/22. Since then, we have gone truly international by recruiting many asylum seekers who are temporarily resident in Southampton, giving them a real purpose to their days and the chance to integrate and make friends whilst they await home office decisions on their futures. Our volunteer delivery team is now made up of asylum seekers 80% of the time and 100% on certain days. They have been a breath of fresh air and a real education for many of the staff team here, me included.

It is no exaggeration to say that without the assistance of these asylum seekers, offering their help without reward, despite the tragic situation they find themselves in, then SCRATCH would not have been able to continue delivering our services. I highlight this fact as so often those seeking asylum receive unfair press which can create prejudice and ill feeling against them. However, it has been my experience that, without exception, they have wholeheartedly committed to the cause of assisting others and have proven to be a huge asset to SCRATCH as I'm sure they will be if and when they gain residency and can enter the employment market and contribute fully to this country. SCRATCH and the residents of the city of Southampton whom we serve should be very grateful to them for all they bring and we cannot thank them enough for their contribution.

We are as always hugely indebted to the many volunteers, native born or migrant, who make up our workforce throughout the year. It is humbling to see the effort freely given on all our projects for the benefit of others.

As we continue to grow as an organisation, we keep hitting milestones, and while project reports will give the statistics regarding numbers of items delivered, calls taken, households visited, individuals assisted, behind all these stats are real people who need our help and are reliant on SCRATCH for basic items which many of us take for granted. All this costs and with the challenge of higher inflation it is increasingly more expensive to keep running. For the first time our turnover exceeded £1million (details in the financial report). Thank you to everyone who continues to help with financial donations, furniture, and Christmas gifts.

Mike Smith – Senior Manager (Operations)

Annette Davis – Senior Manager (Resources)

FURNISH TO FLOURISH (previously known as DORCAS PROJECT)

This project, our longest standing, has continued throughout the year to provide a vital lifeline for so many people. Thanks to funding from the National Lottery Community Fund, we have enhanced provision through the project and changed the name to Furnish to Flourish, which better reflects what the project seeks to achieve.



Some of those helped will have been in temporary accommodation and moving into permanent accommodation without the basic necessities to set up home. Others might have fled domestic abuse, been the victim of a house fire, received Leave to Remain after

claiming asylum or just simply be struggling financially to provide the basic items that many of us never think twice about.

The number of deliveries has increased slightly on the year before and the delivery area continues to expand, now covering most of Hampshire with regular trips to the Portsmouth area, as well as the north of the County. Part of this increase is down to a wider network of referral agencies but also due to increased levels of need. Everyone we help must be referred by a trusted agency so that we know there is a genuine need without having to do an assessment ourselves. That would make the costs higher and delivery lead times longer.

In the year ending March 2023, we delivered to 1993 households across Hampshire (an increase of 8.5% from the previous year), helping 2601 adults and 2239 children.

One of the biggest challenges has been sourcing sufficient furniture and household items to fulfil all referrals. This is largely no doubt down to the ongoing cost of living crisis and people choosing not to replace items as often as they might have in the past. This has resulted in longer than desired waiting lists for some items and us having to use our resources to purchase new beds to meet the need.

But having said that, we have eventually fulfilled all requests, ensuring that some of the most disadvantaged households in the area now have the basic items so many of us take for granted. Thank you to everyone who has donated to us, from beds and sofas to plates and teaspoons – you are a vital part in enabling us to help local people.

Below are some recent comments from those we have been able to help: -

Thanks to SCRATCH, I have been able to furnish my flat and I am so happy with the items that you provided. Everything is in great condition and I still can't believe how great my flat looks. A huge thank you to all for this assistance.

SCRATCH has been a lifesaver. I have been sleeping on a mattress for several months. Having a new bed has been incredible.

You have really helped, taken away loads of stress and given me some hope.

My God, SCRATCH has made such a big difference. I am disabled. We had a leak in the ceiling from the toilet which ruined sofa and washing machine started leaking when we moved. The replacements have both have been a tremendous help. Thank you so much.



And one from a grateful donor: -

Just an email to say many thanks for your help. The gentlemen collecting our furniture were brilliant and we appreciated the call to say that they were on their way. Your service has been excellent and very prompt. I wish all services were the same. SCRATCH will be top of our list when we consider disposing any more furniture.

Whilst the project staff, volunteers and two vans are mostly engaged in the collection and delivery of furniture, we are pleased to offer a removals service for people needing to move house in an emergency situations. During the year we helped 29 households for Winchester City Council, 6 for VIVID Housing, 2 for Society of St James and 5 for other organisations.

DISCRETIONARY FUND AND WELFARE LINE

SCRATCH has had another busy year operating the Welfare Line (a direct assess and advice and signposting phone service – with many people needing referrals through to the local food banks) as well as assisting Southampton City Council (SCC) in delivering elements of the Household Support Fund (Government Funding) by providing utility top-up vouchers and / or new White Goods to Southampton residents who meet strict criteria.

We have seen an increase in need as the Cost-of-Living Crisis has affected more and more people (many of whom are working). This is reflected in the huge rise in the number of people we have referred to Basics Bank for assistance with food.

In the year ending March 2023, we have: -

- ◆ Issued 8067 (8261) utility vouchers to 5937 households (5409) *
- ◆ Provided 659 (539) households with white goods.
- ◆ Answered 2304 calls to the Welfare Line (1871)
- ◆ Made 1033 referrals to Basics Bank (400)

Previous year's figures are shown in brackets.

**the slight drop in vouchers is due to new restrictions on how often a household could have vouchers, rather than a drop in need.*

The number of households assisted with utility top-up vouchers increased, but the number of actual vouchers issued has dropped (purely down to restrictions on



how often we can help people, imposed by SCC to ensure that help is spread as widely as possible).

Some of the stories we hear from the Welfare Line bring tears to the eyes and we often feel frustrated because there is so little that we can do, other than offer a Basics Bank referral and / or providing a top-up voucher or signposting to another agency for professional debt support. However, we like to believe that a few minutes listening and talking to people can be beneficial and help them to realise that people do care and that perhaps there is light at the end of the tunnel.

We have also continued to provide utility vouchers for Hampshire County Council and Footprint Trust (based on the Isle of Wight).

During the year the Welfare Team welcomed Lydia who provided maternity cover for Natasha.

The Welfare Team – Lucy, Kelly, Natasha and Lydia

I have just been speaking to a lady who I referred to you for a washing machine. She wanted me to pass on just how grateful she is for it, has made huge difference to her and her family during a difficult time. I also wanted to say thanks myself for your quick response to her situation. Amazing work! (Health Visitor).

Could you please thank the lady who gave me the gas vouchers this morning. Thank you. I am disabled pensioner and my son is also disabled. I have numerous medical conditions as does my son. We can be warm now with your help - we have been so very cold at times.

CHRISTMAS COMPLETE

As we start plans for another project and look back on the past years, we have realized that next year is Christmas Complete's 30th birthday. The first year's project was run from the founder's home with donations from one school helping less than 50 families and has grown to a record number last year. The needs for Christmas 2023 are likely to be higher and we are planning accordingly.

Although we don't know the situation of each family referred (as the referral agencies do the assessment for us) we did learn that more working families than ever found that they needed help with presents for their children.

Without the thousands of donated toys and gifts and financial contributions from

In 2022, we provided a parcel of presents to 2762 children and young people. This was an increase of 21% from the previous year.

For each individual we endeavour to provide the following: -

- 2 age relevant toys
- 2 or 3 books
- Stationery pack (colouring book, pencils, pens, sharper etc.)
- Art / craft set
- Teddy / soft toy
- Game / puzzle
- Sweets / chocolate

And wrapping paper and tape so that mum / dad / guardian can wrap the gifts. We hope that this gives them a sense of ownership and that the children will believe the presents are from their family, rather than a charity.

This list is adjusted accordingly for babies, toddlers and teenagers.

individuals, churches, businesses and organisations we could not have fulfilled all the referrals. We know that some people gave sacrificially to help ensure that no child or young person went without presents to open on Christmas day and for that we are very grateful.

As always, we really appreciate the support of so many volunteers who give their time to sort, select, package and help deliver. Many come as a work group and really appreciate the time away from the office doing something practical together. A big thank you to everyone who helped in whatever way.

Annette Davis – Project Co-ordinator



Reading some of the comments we receive certainly brings a few tears to the eye and makes all the planning and hard work worthwhile. Just a few from 2022 are shown below: -

- On Friday I was coming home and saw huge box full of toys next to my door! I couldn't believe this is for me and from who! I can't even describe how I felt, this is enormously touching and heart melting! Thank you so much! I'm so, so grateful and appreciate your kind work! This kindness is like a miracle! My daughter will be delighted when I give it to her on Christmas Day! Thank you again for your kind work!
- Yesterday I received gifts for my children. I am overwhelmed by the amazing gifts. The generosity and kindness shown to my children, and myself. I can't even begin to thank you enough. The gifts were perfect. Beautifully bundled and even included paper and everything required to make them extra special.
- Thank you for making a difficult time so much easier and for putting a huge smile on our faces. I am forever grateful.
- Thank you and everyone at SCRATCH for putting together such a wonderful selection of Christmas presents for the family that I'm currently supporting. All 4 children were delighted with their gifts, and it meant a lot to their mother, as they were obviously all very aware of things their school friends were getting and she was in no position to buy any presents for them herself.
- I just really do not know where to start. I recently used food bank at [name] Church for 1st time and was so kindly told I could provide details re my two teenagers to receive Xmas gift. Goodness me, how generous. Today, I answered the door to two lovely gentleman who were so happy to provide me with a huge box, of gifts. for my children. I am totally gobsmacked, and I can't tell you just how welcome such a kind gesture lifted my day. I'm currently suffering a flu virus, I told the poor chaps on answering, that I was full of lurgy, and bless them, they swiftly popped the box down, wished us Merry Xmas, and wished me to get well soon. You'll never know just how I needed it, I've just ended a mentally abusive relationship and was struggling today about it all, and when I came back inside, opened box, to see the wonderful gifts inside, I felt oddly not alone, bags had MY kids names on them, made me feel for a little while were aren't insignificant. I had a cry and counted my blessings for absolute certain. Sorry for the long email, I just felt so moved and wanted to tell you just how it changed my whole day and Thank-you all from the bottom of my heart.

VOLUNTEERING

It is with sadness that I find myself writing my final report for SCRATCH as I will be retiring in December. I would like to take this opportunity to thank all staff, the Board of Directors, our supporters and of course our incredible volunteers for making the past 6 years such a fulfilling and enjoyable experience.

The past year has been a very busy one, so it is difficult to summarize, but here are just a few of the highlights along with feedback from the volunteers.

SCRATCH garden project - The wellbeing garden created following the pandemic continues to flourish, attracting butterflies and bees to the area. Attracting volunteers to make use of the space has proved harder, but we have started a Thursday Garden group overseen by a staff member. So far there are 4 of us but there is always room for more if anyone out there wants to join us.

Inclusion Mentoring Scheme - Monitoring for Hampshire and Isle of Wight Community Foundation (HIWCF) took place this year, the project proved successful for those who took part, but numbers were limited due to the changing demands of operations. The scheme is continuing at a reduced capacity and in a less formal arrangement due to the difficulties recruiting suitable mentors. We currently have 3 volunteers in the scheme.

MP Alan Whitehead visits SCRATCH - Earlier this year, long standing friend of SCRATCH, Dr. Alan Whitehead MP, visited volunteers who are seeking Asylum in the UK. There was a great turn out and he was overwhelmed with questions. Most of the questions were concerned with waiting times, which he responded to in a written statement. However, for those with more complex problems, he offered to provide a one-off surgery on site. He has subsequently helped 5 volunteers pursue their cases with the Home Office. Thank you, Alan.



Summary of the results of the 2023 Volunteer feedback survey - This year a fresh approach to the survey was taken. As most of our current volunteers are 'techno-savvy', young people who speak English as a second language, we produced an electronic survey available in multiple languages. Paper copies were also available to maximise inclusivity. Two volunteers were recruited to assist with IT and the collection of data by sitting with the volunteer participant to help them to upload their answers if required. The assistants also reported on any questions that did not directly translate. Of the 34 active volunteers, approximately three quarters (23) took part in the survey. The majority of whom are in the Driver's Mate (translated in Arabic as Driver's Wife!) role. 58% are non-UK citizens identifying as Refugee/Asylum Seekers. 45% identify as having a mental health condition, 45% identify as having a physical impairment and 1 identified as having a neuro-diverse condition. 31% are unemployed, and 21% retired. A further 3 volunteers work full-time but this was not captured by the survey.

Here are some of the results from the volunteer survey: -

18 out of the 23 volunteers said that they had been supported by the volunteer Manager or other staff members.

- ◆ 50% of whom received help with access to training.
- ◆ 39% had received a letter of support for their asylum case.
- ◆ 28% received help with employability.
- ◆ 39% received emotional support.
- ◆ 22% received help with benefits.
- ◆ 39% received help making phone calls.
- ◆ and a further 22% were assisted with appointments.

How did the volunteers feel they benefitted from volunteering: -

- ◆ 96% helping others.
- ◆ 78% meeting new people and making friends.
- ◆ 70% improved physical and mental health.
- ◆ 52% increased confidence and motivation.
- ◆ 48% helped to relieve boredom.
- ◆ 48% improved English (as a second language)
- ◆ 40% peer to peer support.

When asked to expand on their feedback, here are some of the quotations given: -

- ◆ There is a real sense of community in SCRATCH, which I find really useful. I enjoy meeting people from different cultures and backgrounds.
- ◆ SCRATCH means a lot to me as before SCRATCH I wasn't working or doing anything and was quite isolated. I also had very little confidence. SCRATCH and the people at

SCRATCH are helping me with those things. I feel a little more confident, less isolated and enjoy the job and the people. And for that I am very grateful.

- ◆ Good to help others in need. Feels rewarding to help others in need.
- ◆ Being able to support and encourage others. Seeing the benefits of how your small help makes a big difference.
- ◆ Helps with routine and a sense of achievement.
- ◆ SCRATCH helps provide a feeling of safety and belonging.
- ◆ It's a good place to volunteer. Friendly and organised. They care for how people are doing.

Plans for the year ahead - As there will be a change in Volunteer Management, the year ahead will be focusing on welcoming and assimilating the new Volunteer Manager into the culture and practices of SCRATCH volunteer community. Therefore, any future Volunteer Management goals for the forthcoming year will be shaped by the joint aspirations of SCRATCH management and the new member of staff. However, some current projects and practices have potential for further development, these are: -

- ◆ Encourage greater participation and use of garden area to improve wellbeing.
- ◆ Deepen and strengthen relations with supporting referral agents working with Refugees/Asylum Seekers.
- ◆ Progress the Inclusion Mentor scheme - Increase the number of mentors willing to work alongside volunteers who have difficulty working independently.
- ◆ Respond to the findings of the Volunteer Feedback Survey.

That's all for this year. I will close by adding that I have been proud to be a part of such a crucially worthwhile charity and I will always cherish my time here. Passing the baton on, I hope that my replacement finds the post as rich and rewarding as I have. A huge thank you and farewell.

Polly Burton – Volunteer Manager



GOVERNANCE

The SCRATCH board of trustees operate under the charity's Articles of Association. New trustees are recruited via notification of vacancies, for example on our mailing list, our website, word of mouth etc: prospective candidates apply via a statement of interest stating why they want to join the board and what they will bring to it. They are interviewed by the existing trustees and - if successful - appointed at the next meeting. Induction is initially conducted by the chair who introduces new trustees to the building, the team, and relevant documents. followed by attendance at a SCRATCH Induction session. Development of trustees is important, no matter how experienced they are: training needs for board members are identified via skills audits, at strategy days or as new developments require. These needs are addressed by online courses or by attendance at SCRATCH employee training (e.g. for safeguarding).

Trustees make strategic decisions, such as key objectives and deliverables, staffing structure and long-term operating premises requirements. Senior Managers - Annette Davis and Mike Smith - make day-to-day operational decisions following delegated levels of authority guidelines, with reference to board members when required. The Board of Trustees undertakes an annual review of salaries and wages for all staff, including senior managers, in accordance with the SCRATCH pay policy: any pay increase, if awarded, is not performance based, although employees undergo appraisals for development.

SCRATCH trustees work with regard to the latest Charity Commission guidance, for example on public benefit. We consider that our object - The relief of the effects of poverty for individuals and families in the City of Southampton and Central Southern England - passes the "public benefit test" because the outworking of this is the provision of furniture packs, white goods and utilities top ups, for which referrals are made by public sector agencies and other charities, All SCRATCH's other activities are also aimed at public benefit and trustees are confident that every project remains in line with our core purpose, as each project provides tangible services such as goods, advice, or volunteering opportunities and development. As the opportunity for new work arises, for example delivering services for Southampton City Council, we assess whether it's a good fit for what we already do and whether it's in line with our purposes.

All existing projects are monitored in terms of metrics: numbers of clients helped, amounts and quality of goods provided, speed of response to referrals, etc. Surveys are carried out to obtain feedback on specific areas, such as referral agents' views on our services, or how volunteers have benefitted from their experiences. Some of the most valuable information about how well we're doing comes in the comments from those we've helped.

FUNDRAISING

As well as providing paid for services for local authorities, SCRATCH also raises money using a range of methods, including direct interactions with funders, churches and businesses. It employs a professional fundraising company, Competitive Solutions Ltd, which is a member of the Chartered Institute of Fundraising and which focuses, on our behalf, on approaching funding institutions such as The National Lottery. SCRATCH Senior Managers and Trustees hold a monthly virtual meeting with CSL staff to monitor existing fundraising bids and plan future ones: both sides work together to ensure that all proposed approaches to funders contain an accurate depiction of SCRATCH's activities and needs, while remaining securely in line with the charity's aims.

In the year 2022/23, professional fundraising costs were £57,305 and a total of £109,116 was raised.

SCRATCH's fundraising strategy does not involve methods where individuals are approached by phone, on the doorstep or in the street. Appeals - particularly for donations of goods - can be made via social media or our mailing list, but these are general and not targeted at individuals. There have been no complaints to us concerning fundraising.

FUTURE PLANS

The board holds an annual strategy event: at the 2023 meeting it was decided—in the short term—to concentrate on the existing projects for providing relief for families and individuals in hardship, rather than take on new ventures which might stretch our resources or be less closely linked to our aims. Close collaboration with partners such as Southampton City Council and delivery of the key projects Furnish-to-Flourish, Discretionary Fund, Welfare Line and Christmas Complete will remain our core activity.

The Trustees review risks at every board meeting (six per year). A specific risk identified in the year 2022/23 was the upcoming renewal of our premises lease in 2024: whether this would be renewed by our landlord and whether any increase in rent would prove prohibitive. One of the reasons for us maintaining larger than usual reserves was therefore to factor in contingency against our Risk register, for example to mitigate any move of premises or to fund necessary works to the existing building.

Nevertheless, the principal risk/uncertainty for SCRATCH has always concerned financial viability and for many years the charity lived a hand to mouth existence. To this end we have contracted CSL, a professional fundraising company, to secure ongoing core funding for our projects. This has been successful in the first two years of working together, especially in terms of National Lottery funding, and the cost-benefit analysis has led us to extend the contract for another two years. However, as there is no guarantee that major income - such as the National Lottery grant or the Household Support Fund - will continue, we have also built up our reserves so that we can still deliver all our projects while we seek alternative funding streams.

FINANCIAL REVIEW

For the first time both our income and expenditure exceeded £1 million. This reflects the increased demands of the Household Support Fund, providing domestic appliances and electric top up in response to the cost-of-living crisis which has heavily impacted many of our clients who are in the lowest income bracket.

Our contract with professional fund raisers “Competitive Solutions Ltd.” (CSL) has started to bear fruit with a successful bid of £390,414 over 3 years to The National Lottery Community Fund. The first payment of £62,765 arriving in October and £35,000 from trust funds was successfully secured in January.

Our total Income for 2022 / 23 amounted to £1,318,982 with our Expenditure amounting to £1,131,814. This gives a surplus for the year of £187,168.

Income for the year can be broken down as follows: -

Donations totalled £179,970 (13.6% of income) including £28,501 from fundraising activities, £7,569 recovered through the gift aid scheme and £83,725 which is the notional value of donated furniture.

Grants totalled £961,274 (72.9% of income) the largest being the Household Support Fund which provides utility top up vouchers and domestic appliances.

Furnish to Flourish (Dorcas Project) realised £172,705 (13.1% of income)

Expenditure for the year can be broken down as follows: -

Salary costs totalled £254,588 (22.5% of expenditure)

Cost directly allocated to activities include domestic appliances, mainly, but not exclusively, for the HSF, which totalled £153,180. We spent £30,928 on basic pack items such as Beds, kettles, toasters, pots, and pans and £374,931 on top up vouchers, in total £559,039 (49.4% of expenditure). £83,725 reflects the notional value of donated goods given out.

Premises costs were £83,303 (8% of expenditure) including rent, rates, maintenance etc.

Other significant costs including Fundraising expenses (to CSL) £57,305 (5.1% of expenditure).

The cost of the Christmas complete project was £19,262 (covered by specific income received).

SCRATCH held funds totalling £531,513 at 31 March 2023, of which £222,569 was restricted for the Household Support Fund and £308,944 is General Funds.

The Trustees' policy is that SCRATCH should hold sufficient reserves to allow it to continue operating even if there were to be a significant reduction in the level of giving and an increase in demand for its activities. Post year end, we have seen both of these effects as a result of the current cost of living crisis and, consequently, have had to purchase additional quantities of stock. The costs associated with SCRATCH's activities do not lend themselves to gradual modification so that, under normal circumstances, the trustees would maintain reserves in the range of six months operating costs calculated and reviewed annually and this is still the medium term intention.

However, we continue to be grateful to various grant-making bodies and to the people of Southampton for their generous support for SCRATCH's poverty relief activities, a result of which 2022-23 saw a significant surplus. Reserves are therefore currently well in excess of this level. However, SCRATCH will need to raise significant ongoing funding in order for its expanded activities to be sustainable in the medium term. The reserves therefore give a window of opportunity in which to obtain this. The level of new funding that will be forthcoming is uncertain but projections indicate that SCRATCH will use much of its current reserves in supporting its projects during the period in which the additional funding is being sought.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board of trustees and signed on its behalf by:

 ANN LAIRD

Trustee

Dated: 20/12/23

Board of Directors / Trustees

Ann Laird (Chair)

Nicholas Warn

David Bartlett

Robert Davis

Staff team as at 31 March 2023

Mike Smith – Senior Manager (Operations)

Annette Davis – Senior Manager
(Resources)

Ian Dowdell – Furniture Manager

Paul Williams – Driver

Ian Arnold – Driver

Polly Burton – Volunteer Manager

** job share*

Lucy Taylor – Welfare Information Officer *

Kelly Beck – Welfare Information Officer *

Natasha Davis – Welfare Information
Officer *

Lydia Roberts – Welfare Information
Officer *

Becci Gough – Receptionist (part time)

Independent Auditor

Knight Goodhead Limited

7 Bournemouth Road

Chandler's Ford

Eastleigh

Hampshire

SO53 3DA

Bankers

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4JQ

The Co-operative Bank

No 2 Cathedral Square

The Cloth Market

Newcastle upon Tyne

NE1 1EE



Supported by



SCRATCH, 33 Mount Pleasant Industrial Estate, Southampton, SO14 0SP
Tel: 023 8077 3132 e-mail: reception@scratchcharity.co.uk www.scratchcharity.co.uk
Southampton City and Region Action to Combat Hardship is registered as a Limited Company, Number 03830305 Registered in Cardiff.
Registered Charity Number 107834

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Southampton City and Region Action to Combat Hardship for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable to the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of 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.

Emphasis of Matter

We draw your attention to Note 22 to the financial statements which describes the restatements of prior year balances as a result of misstatements for the year ended 31 March 2022 that were identified during our audit. Our opinion is not modified in respect of this matter.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the report of the executive committee, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARSHIP

(Company limited by guarantee and not having a share capital)

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

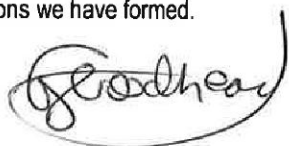
Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Other Matter

The prior year financial statements were not audited.

Use of our report

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



CJ GOODHEAD FCA

Senior Statutory Auditor

Knight Goodhead Limited

Chartered Accountants and Statutory Auditors

7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

Dated: 20 December 2023

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023 (including Income and expenditure account)

		Restricted funds £	Unrestricted funds £	2023 Total funds £	RESTATED 2022 Total funds £
INCOME	Notes				
Donations and legacies	3	89,436	62,033	151,469	57,475
Charitable activities	4	941,772	192,207	1,133,979	959,425
Fundraising income		-	28,501	28,501	19,569
Trading income	5	-	4,747	4,747	21,248
Other income			23	23	6,076
		<u>1,031,208</u>	<u>287,511</u>	<u>1,318,719</u>	<u>1,063,793</u>
Investment income		-	263	263	-
TOTAL INCOME		<u>1,031,208</u>	<u>287,774</u>	<u>1,318,982</u>	<u>1,063,793</u>
EXPENDITURE					
Charitable activities	6	862,292	269,522	1,131,814	803,848
TOTAL EXPENDITURE		<u>862,292</u>	<u>269,522</u>	<u>1,131,814</u>	<u>803,848</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR	7	168,916	18,252	187,168	259,945
Transfers between funds	14,15	(80,364)	80,364	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>88,552</u>	<u>98,616</u>	<u>187,168</u>	<u>259,945</u>
FUNDS AT 1 APRIL 2022		<u>134,017</u>	<u>210,328</u>	<u>344,345</u>	<u>84,400</u>
FUNDS AT 31 MARCH 2023		<u><u>222,569</u></u>	<u><u>308,944</u></u>	<u><u>531,513</u></u>	<u><u>344,345</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 14 and 15 to the financial statements.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP


(Company limited by guarantee and not having a share capital)

COMPANY NUMBER: 3830305

BALANCE SHEET AS AT 31 MARCH 2023

		2023		RESTATED 2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		41,413		55,217
CURRENT ASSETS					
Stock		6,248		17,400	
Debtors	11	199,747		340,642	
Cash at bank and in hand		365,831		23,469	
		<u>571,826</u>		<u>381,511</u>	
CREDITORS: amounts falling due within one year	12	<u>(43,023)</u>		<u>(28,601)</u>	
NET CURRENT ASSETS			528,803		352,910
CREDITORS: amounts falling due in more than one year		<u>(38,703)</u>		<u>(63,782)</u>	
NET ASSETS	16		<u>531,513</u>		<u>344,345</u>
FUNDS					
Restricted funds	14		222,569		134,017
Unrestricted funds					
General funds	15		308,944		210,328
Designated funds	15		-		-
TOTAL FUNDS			<u>531,513</u>		<u>344,345</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 and FRS 102 relating to small entities.

Approved by the board of trustees on  and signed on its behalf by



Trustee



SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		2023	RESTATED
	Notes	£	2022
			£
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	367,178	(39,750)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		263	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(22,543)	(16,003)
Interest paid		(2,536)	(1,345)
Increase in loan finance		-	33,827
Fixed asset additions		-	(73,620)
NET CASH FLOW		<u>342,362</u>	<u>(96,891)</u>
Change in cash and cash equivalents in the period		342,362	(96,891)
Cash and cash equivalent at start of the period		<u>23,469</u>	<u>120,360</u>
Cash and cash equivalents at the end of the period	2	<u>365,831</u>	<u>23,469</u>

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

1 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	RESTATED 2022
	£	£
Net movement in funds for the period	187,168	259,945
Interest received	(263)	-
Depreciation	13,804	18,405
Profit on disposal	-	(16,478)
Decrease/(increase) in stock	11,152	(17,400)
Decrease/(increase) in debtors	140,895	(295,944)
(Decrease)/increase in creditors	14,422	11,722
Net cash flow from operating activities	<u>367,178</u>	<u>(39,750)</u>

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank and in hand	<u>365,831</u>	<u>23,469</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022	Cash flows	Other non- cash changes	At 31 March 2023
Cash at bank and in hand	23,469	342,362	-	365,831
Debt due within one year	(19,899)	23,902	(26,217)	(22,214)
Debt due after one year	(63,782)	-	25,079	(38,703)
	<u>(60,212)</u>	<u>366,264</u>	<u>(1,138)</u>	<u>304,914</u>

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

a) Accounting convention

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 FRS 102 (second edition - October 2019) and the Companies Act 2006.

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

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

b) Income

Donations and legacies are received by way of donations and gifts and is included in full in the statement of financial activities when received.

Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions of receipt have been complied with. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward in creditors.

Legacies are accounted for in the Statement of Financial Activities when receipt is probable, and their value can be measured with sufficient reliability.

c) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Voluntary income costs and trading costs comprise the costs associated with attracting voluntary income and the costs of fundraising and trading.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Cost related to a particular activity are allocated directly, others are apportioned on an appropriate basis.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

d) Operating leases

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

e) Tangible fixed assets

Assets that cost more than £500 are capitalised at cost price. Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value of the tangible assets over their estimated useful lives:

Leasehold improvements	Over the length of the lease
Motor vehicles	25% straight line
Office equipment	20-50% straight line
Computer equipment	33% straight line

f) Stock

Stocks held at the year end for distribution are stated at fair value. Donated stock is not valued but recognised in income and expenditure when the item is distributed.

g) Funds

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

Restricted funds represent grants and donations which are allocated by the donor for specific purposes. Expenditure which meets these criteria is charged to the appropriate fund.

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

h) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

i) Donated goods

The value to the charity of donated goods are recognised in donations when the item is distributed, with an equivalent amount recognised as charitable expenditure.

2 LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 23 August 1999 in the United Kingdom and was registered on 24 November 1999 with the Charity Commission in England and Wales. The charity is a public benefit entity.

The registered office of the charitable company is Unit 3 Mount Pleasant Industrial Estate, Mount Pleasant Road, Southampton, SO14 0SP.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

3 DONATIONS AND LEGACIES	RESTATED			
	Restricted funds £	Unrestricted funds £	2023 Total £	2022 Total £
<i>Donations and similar income</i>				
Gift aided donations	540	31,812	32,352	30,592
Non gift aided donations	5,171	22,652	27,823	24,072
Gift aid recoverable	-	7,569	7,569	2,811
Donated goods for Furnish to Flourish	83,725	-	83,725	-
	<u>89,436</u>	<u>62,033</u>	<u>151,469</u>	<u>57,475</u>
4 CHARITABLE ACTIVITIES INCOME				
Grants and contracts	941,772	19,502	961,274	824,714
Furniture charges	-	114,653	114,653	86,346
White goods charges	-	43,018	43,018	30,588
Removal charges	-	11,540	11,540	8,095
Delivery charges	-	3,494	3,494	5,646
Other income	-	-	-	4,036
	<u>941,772</u>	<u>192,207</u>	<u>1,133,979</u>	<u>959,425</u>
5 TRADING INCOME				
Hire of facilities	-	-	-	140
Pallet furniture sales	-	150	150	20
Shop sales	-	4,597	4,597	4,802
New Milton shop income	-	-	-	16,286
	<u>-</u>	<u>4,747</u>	<u>4,747</u>	<u>21,248</u>

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

6 EXPENDITURE	Restricted	Unrestricted	Total	RESTATED
	funds	funds	2023	Total
	£	£	£	2022
				£
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Wages and salaries	210,291	44,297	254,588	241,071
Donated furniture costs	83,725	-	83,725	-
Fundraising costs	-	57,305	57,305	9,043
Grants payable	-	-	-	5,175
Basic package equipment, beds and microwaves	30,928	-	30,928	10,626
Electric top up	374,931	-	374,931	281,176
White goods purchases	153,180	-	153,180	113,414
Christmas expenses	9,237	10,025	19,262	13,857
New Milton expenses	-	-	-	2,481
Motor expenses	-	25,874	25,874	22,933
	<u>862,292</u>	<u>137,501</u>	<u>999,793</u>	<u>699,776</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Rent	-	48,570	48,570	42,000
Water and rates	-	8,481	8,481	6,957
Insurance	-	4,176	4,176	4,237
Light and heat	-	9,602	9,602	10,061
Repairs and maintenance	-	12,480	12,480	11,892
Office costs	-	1,523	1,523	1,227
PPS	-	10,209	10,209	10,754
IT costs	-	1,778	1,778	3,941
Accountancy	-	8,798	8,798	1,479
Legal and professional	-	-	-	-
Travel and subsistence	-	5,798	5,798	5,637
Training costs	-	3,022	3,022	1,163
Sundry	-	135	135	494
Interest charges	-	2,536	2,536	1,345
Bank/card charges	-	1,109	1,109	958
Depreciation	-	13,804	13,804	18,405
Profit/loss on disposal	-	-	-	(16,478)
	<u>-</u>	<u>132,021</u>	<u>132,021</u>	<u>104,072</u>
TOTAL EXPENDITURE	<u><u>862,292</u></u>	<u><u>269,522</u></u>	<u><u>1,131,814</u></u>	<u><u>803,848</u></u>

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

7 NET INCOME/(EXPENDITURE) FOR THE YEAR	RESTATED	
This is stated after charging:	2023	2022
	£	£
Depreciation	13,804	18,405
Independent examination fee	2,538	1,479
Auditors' remuneration:		
- audit	5,000	-
- other services	1,260	-
	<u>254,588</u>	<u>241,071</u>

8 EMPLOYED STAFF COSTS AND NUMBERS

Employed staff costs were as follows:	2023	2022
	£	£
Salaries and wages	231,328	220,103
Social security costs	15,372	13,304
Pension	7,888	7,664
	<u>254,588</u>	<u>241,071</u>

No employee earned more than £60,000 during this or the prior year.

At the year end there were outstanding pension contributions payable of £1,484 (2022: £nil). Total pension contributions of £7,888 (2022: £7,664) were paid by the charity and are included in the SOFA.

Key management comprises two individuals who were paid a total of £79,131 (2022: £71,905 to two individuals).

The average weekly number of employees during the year was as follows:

	2023	2022
	No.	No.
Employees	<u>11</u>	<u>10</u>

9 TAXATION

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

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

10 TANGIBLE FIXED ASSETS

	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
COST OR VALUATION				
At 1 April 2022	11,072	72,268	27,369	110,709
Additions in year	-	-	-	-
At 31 March 2023	<u>11,072</u>	<u>72,268</u>	<u>27,369</u>	<u>110,709</u>
DEPRECIATION				
At 1 April 2022	10,057	18,067	27,368	55,492
Charge for the year	253	13,550	1	13,804
At 31 March 2023	<u>10,310</u>	<u>31,617</u>	<u>27,369</u>	<u>69,296</u>
NET BOOK VALUE				
At 31 March 2023	<u>762</u>	<u>40,651</u>	<u>-</u>	<u>41,413</u>
At 1 April 2022	<u>1,015</u>	<u>54,201</u>	<u>1</u>	<u>55,217</u>

11 DEBTORS

	2023 £	RESTATED 2022 £
Trade debtors	109,206	243,180
Prepayments and accrued income	23,880	13,767
Other debtors	66,661	83,695
	<u>199,747</u>	<u>340,642</u>

12 CREDITORS: amounts falling due within one year

	2023 £	RESTATED 2022 £
Trade creditors	8,988	4,440
Other taxation and social security	4,077	4,262
Bank loans	22,214	11,450
Accruals and deferred income	6,260	8,449
Other creditors	1,484	-
	<u>43,023</u>	<u>28,601</u>

Included within bank loans is £8,456 relating to vehicles under a hire purchase agreement. The loan is secured on this asset.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

13 CREDITORS: amounts falling due in more than one year

	2023	2022
	£	£
Bank loans	<u>38,703</u>	<u>63,782</u>

Included within bank loans is £7,932 relating to vehicles under a hire purchase agreement. The loan is secured on this asset.

14 RESTRICTED FUNDS

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Household Support Fund	134,017	803,640	(634,724)	(80,364)	222,569
Furnish to Flourish (Dorcas Project)	-	135,565	(135,565)	-	-
Christmas Complete	-	9,237	(9,237)	-	-
National Lottery - Furnish to Flourish	-	62,766	(62,766)	-	-
Welfare Support Project	-	20,000	(20,000)	-	-
	<u>134,017</u>	<u>1,031,208</u>	<u>(862,292)</u>	<u>(80,364)</u>	<u>222,569</u>

Purposes of restricted funds

Household Support Fund

Provision of a referral processing hub for the Southampton Household Support Fund.

Furnish to Flourish (Dorcas Project)

Provides good quality furniture and household items

Christmas Complete

Provides toys and gifts for children and young people who otherwise might go without presents

National Lottery - Furnish to Flourish

Specific funding provided by the National Lottery to help provide furniture and household items.

Welfare Support Project

Provision of a welfare line and referral hub including the sourcing of items and administration of the Local welfare Provision Discretionary Fund.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

15 UNRESTRICTED FUNDS

	RESTATED				
	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General funds	<u>210,328</u>	<u>287,774</u>	<u>(269,522)</u>	<u>80,364</u>	<u>308,944</u>
Total unrestricted funds	<u>210,328</u>	<u>287,774</u>	<u>(269,522)</u>	<u>80,364</u>	<u>308,944</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	General funds £	Total funds £
<i>Year ended 31 March 2023</i>			
Tangible fixed assets	-	41,413	41,413
Stock	-	6,248	6,248
Debtors	173,299	26,448	199,747
Cash at bank and in hand	58,258	307,573	365,831
Creditors	(8,988)	(34,035)	(43,023)
Creditors falling due in more than one year	-	(38,703)	(38,703)
NET ASSETS	<u>222,569</u>	<u>308,944</u>	<u>531,513</u>
	Restricted funds £	General funds £	RESTATED Total funds £
<i>Year ended 31 March 2022</i>			
Tangible fixed assets	-	55,217	55,217
Current assets	134,017	247,494	381,511
Creditors	-	(28,601)	(28,601)
Creditors falling due in more than one year	-	(63,782)	(63,782)
NET ASSETS	<u>134,017</u>	<u>210,328</u>	<u>344,345</u>

17. TRUSTEE EXPENSES

None of the trustees were reimbursed expenses during this or the prior year. No trustee received any remuneration in the current or prior year.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

18. OPERATING LEASE COMMITMENTS

At 31 March 2023, the charity had total commitments under non-cancellable operating leases, due as follows:

	2023	2022
	£	£
Within one year	1,490	1,490
Between one to two years	1,490	1,490
Between two and five years	1,863	3,353
	<u>4,843</u>	<u>6,333</u>

19 RELATED PARTY TRANSACTIONS

There were no related party transactions in this or the prior year.

20 DONATED GOODS

The charity receives significant donations from the public of furniture to support the Furnish to Flourish (formerly Dorcas) project. These donations have been valued at £83,725 and are included within both income and expenditure in the Statement of Financial Activities.

21 POST BALANCE SHEET EVENTS

Post year end, the charitable company retrospectively registered for VAT. As a result, a VAT return was submitted for the period ended 30 September 2023, which should give rise to a VAT repayment.

Post year end, the charitable company entered into a 5-year lease commitment for rent on their premises, equating to £46,000 per year until Feb 2024, at which time it will rise to £59,274 per year.

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22 RESTATEMENT OF PRIOR YEAR

The comparative figures (year ended 31 March 2022) have been restated as follows:

Trade debtors was overstated by £33,048. As a result of reducing trade debtors, grant income has reduced by £33,048 which also corresponds to a £33,048 reduction in total funds at the year end.

A £76,780 other debtor was identified which had not been included in the 2022 accounts. As a result of increasing other debtors, expenditure has reduced by £76,780 and therefore a corresponding increase in funds at the year end.

£98,962 of deferred income was included in error in the 2022 accounts. As a result of reducing deferred income, grant income has increased by £98,962 which also corresponds to a £98,962 increase in funds at the year end.

The overall impact of the restatement is an increase in total funds at 31 March 2022 of £142,694. The majority of this relates to previously unidentified restricted funds. Restated total funds at 31 March 2022 are £344,345.

23 RESTATED PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Restricted funds	Unrestricted funds	RESTATED 2022 Total funds
	£	£	£
INCOME			
Donations and legacies	6,200	51,275	57,475
Charitable activities	781,284	178,141	959,425
Fundraising income	-	19,569	19,569
Trading income	-	21,248	21,248
Other income	-	6,076	6,076
TOTAL INCOME	787,484	276,309	1,063,793
EXPENDITURE			
Charitable activities	583,440	220,408	803,848
TOTAL EXPENDITURE	583,440	220,408	803,848
NET INCOME FOR THE YEAR	204,044	55,901	259,945
Transfers between funds	(70,027)	70,027	-
NET MOVEMENT IN FUNDS FOR THE YEAR	134,017	125,928	259,945
FUNDS AT 1 APRIL 2021	-	84,400	84,400
FUNDS AT 31 MARCH 2022	134,017	210,328	344,345

SOUTHAMPTON CITY AND REGION ACTION TO COMBAT HARDSHIP

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

24 RESTATED PRIOR YEAR FUND MOVEMENTS

RESTRICTED FUNDS

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Household Support Fund	-	700,269	(496,225)	(70,027)	134,017
Dorcas Project	-	57,576	(57,576)	-	-
Christmas Complete	-	9,639	(9,639)	-	-
Welfare Support Hub	-	20,000	(20,000)	-	-
	<u>-</u>	<u>787,484</u>	<u>(583,440)</u>	<u>(70,027)</u>	<u>134,017</u>

UNRESTRICTED FUNDS

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
General funds	<u>84,400</u>	<u>276,309</u>	<u>(220,408)</u>	<u>70,027</u>	<u>210,328</u>
Total unrestricted funds	<u>84,400</u>	<u>276,309</u>	<u>(220,408)</u>	<u>70,027</u>	<u>210,328</u>