

Charity Registration No 703072

Company Registration No 2504158 (England and Wales)

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

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**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE DETAILS**

Directors

Mr Brian Browne
Mr Alistair Cormie
Mr Alan Courtney
Mr Cal Edwards
Prof Geoffrey Elliott (resigned 16 October 2007)
Mrs Sascha McDonald (resigned 16 October 2007)
Rev Dr Alwyn Pettersen
Mrs Magda Prail
Rev Nick Read
Ms Catherine Smith
Mr Roland Summers
Mrs Deborah Summerfield

President

Professor Michael Clarke

Vice President

Sir Thomas Dunne

Honorary Officers

Mr Alistair Cormie	Chair
Mr Brian Browne	Vice Chair
Mrs Magda Prail	Vice Chair
Mr Mike Weaver	Treasurer

Chief Executive and Company Secretary

Mr Richard Quallington

Charity number

703072

Company number

2504158

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

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE DETAILS**

Bankers

HSBC Bank plc
6 Broad Street
Worcester
WR1 2EJ

CAF Bank Ltd
PO Box 289
West Malling
ME19 4TA

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

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 2008

The directors present their report and accounts for the year ended 31 March 2008

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 memorandum and articles of association, applicable law and the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities

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

Governance

The board of directors is responsible for the governance and 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.

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 organisations. 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 organisation reviews the role descriptions of all trustees on an annual basis and during the year introduced specific role descriptions for the honorary officers. The governance committee meets at least once a year to review the organisation's 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 the recruitment exercise of the previous year which brought forward three new directors onto the board no additional directors have been recruited during the year.

Directors' induction and training

All directors complete an annual skills audit which is used to identify specific training or skills development needs. 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 substantially 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. A board 'away day' was held at the end of the financial year to consider and agree the key elements of the organisation's strategic plan and to review board performance and effectiveness. The resultant action plan will feed into and shape the organisation's plans going forward.

Organisational Structure

The directors are responsible for setting the strategic direction of the organisation and for monitoring progress on a regular basis. During the year board meetings were held on 5 occasions to oversee the delivery of the organisation's strategic 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 4 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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

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. Both 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 organisation and the work of the staff team. Senior managers with the chief executive form the senior management team which takes responsibility for ensuring operational effectiveness in the delivery of overall outcomes. Operational decisions are delegated to the appropriate programme or project level, accountability is ensured through the internal reporting and line management processes and procedures. Corporate and collective approaches to managing change within Community First are achieved through the 'key change management group' consisting of operational managers who meet on a bi-monthly basis to ensure that Community First adheres to quality standards and delivers consistently in relation to policy and performance across the organisation.

Community First is committed to working within the ACRE (Action with Communities in Rural England) Good Practice Quality Standards for Performance Improvement which has 3 achievement levels. Level 2 was achieved and externally assessed at the end of the year.

Register of Interests

All board members complete a register of interests on an annual 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 £504,253. Descriptions of related parties and the transactions with them are detailed elsewhere at note 21 of the accounts.

Risk Management

Community First continually reviews and improves its risk management systems on an ongoing basis. The Board of directors examines the major risks that the charity faces each financial year when preparing and updating the organisation's plans. Systems are in place to monitor and control these risks and to mitigate any impact they may have on the organisation in the future. Key strategic, business and operational risks facing the organisation are also 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 of Community First*)

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 organisations with charitable objectives in order to assist such organisations in their charitable work

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- To promote and to organise co-operation in the advancement of these purposes and to bring together representatives of voluntary organisations, statutory authorities and individuals

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.

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 organisation Community First is also an active member of the national network of 38 Rural Community Councils recently renamed the Rural Community Action Network (RCAN). ACRE provides the network with a national voice and profile and a focus for its collective endeavour.

Aims, objectives and strategies for the year

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

In pursuing its mission, Community First has worked to the following aims during the year –

- To build the capacity of voluntary and community organisations 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 organisation, towards a model of best practice.

In delivering these strategic objectives Community First focused its resources on pursuing the following main strategies and principal activities during the year –

- Providing technical support to ensure the development of high quality parish plans that stimulate greater community involvement in local decision making and lead to improved community cohesion, the development of new initiatives to meet need and the provision of evidence to influence and improve the services of other public bodies
- Administering grant and award schemes that encourage community celebrations, the sharing of ideas and good practice, the development of community participation and community leadership skills
- 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 organisations to improve governance arrangements, organisational 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

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- Delivering programmes of funding that enable voluntary and community organisations to grow and deliver new services, reaching out to those at risk of exclusion
- Collaborative activity with other voluntary sector infrastructure organisations sub-regionally and regionally to improve quality, coverage, integration and sustainability of services
- Development, support and participation in networks of voluntary organisations 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 effective governance and management of the organisation and to maximize flexibility in effective delivery to users and funders

Achievements and Performance

During the year Community First achieved progress 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.

- Grew the voluntary sector training provider consortium to 48 members and delivered 4 courses as part of a quality development programme for voluntary organisations delivering learning opportunities
- Supported 19 organisations through the PQASSO (quality standard) mentoring programme, level 1 in all 12 quality areas, several sector managers through NVQ 3 and 4 in management, five learners in completing NVQ 2 in Health and Social Care
- Delivered improving your worth series - 3 bespoke day courses on full cost recovery and the role of quality and planning for outcomes in the local contracting environment
- Led on the collaborative delivery of services across the two infrastructure consortia for Herefordshire and Worcestershire including 22 training courses/events, 17 single day courses and 7 modular courses to prepare the sector in Worcestershire for the new competitive tendering and contracting environment
- Advised on the introduction of a grants funding process within Worcestershire Local Strategic Partnership's Health and Wellbeing Theme group and worked with Help the Aged to enable local groups to access new sources of funding for projects and activities
- Received Big Lottery Funding for a three year information communications technology (ICT) support project to operate across Herefordshire and Worcestershire. The work which started in January 2008 builds on the successful Herefordshire in Touch programme which piloted a variety of ICT focused support initiatives with the voluntary and community sector in Herefordshire
- In collaboration with Worcestershire Infrastructure Consortium partners planned and delivered support to third sector organisations across the county and won, by competitive tender, a three-year grant from the County Council contributing to the delivery of this work. Secured additional funding from the Capacity Builders "modernizing infrastructure" fund to provide, with our Consortium Partners, a more integrated and systematically evaluated service for groups
- Supported care organisations in Worcestershire in identifying staff development needs

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Improving the quality and scope of services delivered by the voluntary and community sector.

- Redeveloped the online web directory www.Findgroups.org.uk to use the new shared client relationship management (CRM) database. The new site provides an enhanced user interface and displays additional information on groups which the groups can update and control themselves
- Launched an online forum Talkgroups.org.uk tapping into the wealth of knowledge and experience within voluntary and community groups throughout Herefordshire and Worcestershire and providing a platform for sharing ideas and problem solving
- Developed and maintained 2 countywide and 2 local networks for service providers of older people's services, improving information exchange and sharing good practice
- Introduced a new Quality of Life questionnaire into the Winn Project so that voluntary and community sector service providers can engage actively with service users and use a consistent measurement of effectiveness
- Continued to provide a two-day training module with the University of Worcester for voluntary and community sector staff working with older people
- Completed the development of a website for members of the Mental Health Link Network
- Provided a comprehensive advice and support service for Herefordshire's network of community transport providers, to improve sustainability and facilitate improved service development
- Designed and delivered an ICT workshop as part of a collaborative delivery event in Herefordshire through Herefordshire Infrastructure Consortium and continued to support collaborative development through business support
- Hosted the high profile project 'ICT Champion for the West Midlands' aimed at raising awareness of the potential for ICT in the delivery of sustainable voluntary and community sector services
- Successfully delivered and concluded five years management of the Local Network Fund in Worcestershire by allocating over £309k in just 7 months to more than 54 voluntary and community groups. The programme, aimed at improving the opportunities and services available to vulnerable children and young people, supported over 240 projects in total - an impressive testament to the support provided by the team and the commitment and hard work of many local groups
- Invested £155K from the Nexus fund in improvements to rural services in Herefordshire, Worcestershire and Shropshire. Covering the Rural Regeneration Zone (RRZ), the more isolated and sparsely populated parts of the region, the programme has supported 30 projects this year aimed at improving outreach by adapting buildings, purchasing equipment and extending the accessibility of existing service provision. Community First manages the programme funded by the regional development agency - 'Advantage West Midlands' on behalf of the West Midlands Rural Community Action Network
- During the year the long awaited Wellness Works initiative commenced. The programme of support for employers in all sectors across Worcestershire promotes a positive and proactive whole organisation approach to mental health and well being at work. Funded by the Big Lottery via the West Midlands Regional Assembly, Community First's role is to manage this £450K unique early intervention initiative aimed at enabling employers to adopt improved well being strategies and to provide practical support and guidance for employees at work who may be experiencing mental ill health. The project is well supported locally by the PCT, Mental Health Partnership Trust, Chamber of Commerce and Unison all of whom are part of the steering group. The work builds on previous programmes of support provided by Community First and accesses the skills and knowledge of specific voluntary organisations in the delivery of the programme

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- Provided a support and advice service for community buildings across Herefordshire and Worcestershire, supporting the network of Village Hall Committees and assisting them in developing and marketing needed services, maintaining and developing facilities and accessing resources
- Supported the Infrastructure Consortium in each county by providing co-ordination, secretariat and accountable body services

Building stronger, more inclusive communities, that provide a good quality of life for everyone,

- Held the final 'celebration event' for the Community Champions programme where 11 people in Herefordshire and Worcestershire were recognised for the contribution that they had made to the development and strengthening of their local communities. The 7 year programme focused on a number of the more disadvantaged communities across the two counties, allocated over £150K and supported more than 100 local people to get new projects off the ground
- Supported the two countywide steering/liaison groups promoting and overseeing community planning locally, provided technical support to over 50 communities across the two counties carrying out a community plan and delivered 4 awareness raising sessions to local communities
- Produced a quarterly newsletter for groups involved in community planning as a way of keeping volunteers up to date with issues and developments and prepared 4 guidance sheets for inclusion in the community planning guidance packs
- Logged actions from 35 completed community plans in Worcestershire and developed reports for service providers on the key issues and recurrent themes being raised locally. Produced a report on rural diversity and the community planning process in Worcestershire
- Facilitated the Herefordshire Access to Services Partnership which supported the development of 12 projects designed to improve access to a range of services for people disadvantaged by rural and social isolation
- During the year both counties benefited from the Rural Housing Enabler projects managed by Community First. Funded by a broad range of partners including local authorities, housing associations and Defra the housing enablers focused on working with local communities and other key stakeholders to identify housing need, to support the development process and to bring forward affordable homes for people with a local connection to their village. The new Housing Enabler for Herefordshire has made much progress in the smaller settlements, whilst in Worcestershire 5 schemes were completed and 2 were under construction - resulting in a total of 67 new homes in rural communities

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

- Created opportunities for the Mental Health Link Network to shape and influence strategic commissioning priorities for mental health. Facilitated voluntary and community sector representation on to key strategic forums
- Chaired the regional voluntary and community sector (VCS) Learning Strategy Group which brings together VCS groups involved in staff development, learning delivery and qualifications, brokerage and access level learning for those at risk of exclusion. It seeks to influence the regional learning and skills strategy and policy and implementation to maximise the contribution of the sector. Partnered Regional Action West Midlands (RAWM) in holding a regional event to promote understanding of this work

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- Provided a representative to reflect a 'voluntary sector infrastructure' perspective on Worcestershire County Council's Policy Advisory Group
- Contributed to the development of the Worcestershire Compact and its associated codes through the Engaging Worcestershire Steering Group and the Worcestershire Partnership Management group
- As a member of Worcestershire Partnership's Management Group and Board, sought to bring a voice from the third sector and on rural issues. Worked with partners on a rural-proofing exercise carried out on key plans at county level
- Provided a voluntary sector voice on the Worcestershire Safer Communities Board on the Worcestershire Accessibility Partnership and serviced and supported the Herefordshire Access to Services Partnership
- Supported the Voluntary Sector Assembly (VSA) in Herefordshire as a member of its Steering Group. Engaged in Assembly events and consultations. As the VSA elected representative to the Chief Executives' Group of Herefordshire Partnership sought to reflect views from the third sector and from rural groups and influenced the development of key strategies and plans in association with other third sector partners
- Advocated in both counties for the full engagement of the VCS in LAA planning, delivery and performance management
- Represented Herefordshire Infrastructure Consortium on the Compact Development Group in Herefordshire and supported the development of the county-wide Compact and the first Code of Practice
- Chaired the Rural Access Partnership in Herefordshire, seeking to raise awareness of the potential contribution of voluntary organisations and community groups in improving accessibility and providing services locally
- Chaired the Worcestershire Consortium, spoke at various conferences and meetings to promote understanding of the role and contribution of the voluntary and community sector and the way it adds value
- Collaborated with other partners in the West Midlands Rural Community Action Network (WMRCAN) on research into the future role and function of community buildings and the role of community planning in the empowerment agenda. Produced regional policy papers, responded to regional consultations and oversaw the management and support of the regional Network Co-ordinator and reflected a rural VCS perspective in a range of regional networks
- Maintained substantial engagement with other regional networks and partnerships to promote the role of the voluntary sector in strategic planning and in the delivery of services. This included work with Regional Action West Midlands and Destination West Midlands (DWM) the regional infrastructure consortium

Advancing the governance, management and operations of the organisation, as a model of best practice

- Achieved level 2 peer review assessment against the ACRE Good Practice Quality Standards. Several areas of good practice were commended in the assessors' report. Subsequent assessor feedback will be used to improve systems and processes in readiness for the level 3 assessment in 2008/09
- Improved the navigation and content within the Community First website. The success of this site is reflected in the number of repeat visits. www.comfirst.org.uk regularly receives in excess of 3000 visitors a month

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- Upgraded internet/intranet systems for members, trustees and staff
- Created a range of electronic tools to support organisational development – large and small budget sheets for planning for full cost recovery and an organisational health check for grants and contracts All posted on the website
- Increased income generating commissioned work – 6 childcare organisations in Worcestershire commissioned 3 bespoke training modules for management committee development A health and social care organisation in Herefordshire commissioned board facilitation to support organisational change and a day's training on monitoring and evaluation, 2 health and social care organisations in Worcestershire commissioned a trustee training session in a joint collaborative venture
- Achieved a relocation of the Worcestershire office to more secure and appropriate premises on the outskirts of Malvern
- Provided ongoing training for line managers
- Agreed a sustainability strategy and action plan for the organisation, achieved all year one targets and purchased an environmentally friendly vehicle and 2 bicycles to reduce the organisation's carbon footprint and to enhance staff mobility
- Attracted in the region of 300 members as at the 31st March 2008

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 organisation's activities and highlights those areas of work which are under resourced

The directors report net incoming resources of £18,574 (31 March 2007 incoming £17,216) Losses on investments amounted to £5,123 (31 March 2007 gain £1,309) This results in a net addition to the fund balances at 31 March 2008 of £13,451 The closing fund balances at 31 March 2008 were £382,879

The financial year ending 31 March 2008 has again been a period of change and some uncertainty as Community First prepares for new challenges as a number of national and local funding partners alter the way in which funding for infrastructure organisations like Community First is allocated and distributed In addition a number of national streams of funding finished at the end of the financial year and although some successor programmes are anticipated it is likely that these will be insufficient to resource the same level of activity and capacity in the year to come The Board, aware of this issue, has put in place mitigating actions

The statement of financial activities (SOFA) shows that the total incoming resources for the year were £2,238,788 compared with £2,342,040 for the previous year. This decrease of £103,252 is attributable to the usual fluctuations in funding availability during the year

During the year Community First received funding from 35 different sources, £1,703,765 restricted, £456,778 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

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

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 2008 were £225,293 (31 March 2007 £240,104). 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, adequate working capital and a contingency to manage the financial risks associated with certain funding streams and contractual obligations.

Quantitatively, Community First aims to hold free reserves equivalent to not less than two months budgeted expenditure and not more than four months budgeted expenditure. This reflects the risks it faces and that, as a charitable organisation, 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 maximise 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 organisations 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 utilised 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.

Future developments

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 organisations empower people to address the changing needs of their communities.

The year ahead will see the organisation continue to focus its energies and activities in line with its current strategic plan on the following main aims -

- To build the capacity of the voluntary and community organisations 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 and enhance its influence in policy development and implementation
- To advance the governance, management and operations of the organisation, towards a model of best practice

In delivering these key aims we will be pursuing a range of activities and Community First 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 organisations to improve collaboration in service delivery wherever possible.

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In particular we expect to be building further on the collaborative approaches established by the two infrastructure consortia locally in the joint delivery of support services to the sector. In addition we will be continuing with our joint working in relation to strategic influencing and will further develop our collaborative delivery with members of the Rural Community Action Network (RCAN) at a regional and national level.

Financial challenges are predicted to increase within a growing environment of competitive tendering and a continuing shift in resources away from grant funding towards a reliance on contract and earned income. In order to address this challenge we will be developing further earned income opportunities whilst retaining maximum focus on service delivery. We will also be reviewing our cost base, considering back office efficiency savings in partnership with other similar organisations and reviewing our structure and contractual relationship with staff to maximize flexibility and to address key risk management issues.

We will plan to revise and finalize the strategic plan for 2009-2012, devise and adopt organisation-wide training and marketing plans and prepare for achieving ACRE quality standard level 3.

Acknowledgements

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

Responsibilities of the Trustees

Law applicable to Charitable Companies in England and Wales 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 surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on a going concern basis unless it is inappropriate to presume the charity will continue in operation

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Directors and Trustees

All directors of the company who are also trustees of the charity who served during the year and up to the date of this report are listed on page 1 of this report. There are no other trustees.

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

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

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the appointment of auditors of the company will be put to the Annual General Meeting in the autumn

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Trustees on the 14th August 2008, and signed on their behalf by

Mr Alistair Cormie

Director

Dated 14 August 2008



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

TO THE MEMBERS OF COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE

We have audited the accounts of Community First in Herefordshire and Worcestershire for the year ended 31 March 2008 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's and group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of trustees' responsibilities, 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). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the organisation is not disclosed.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

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 22 to the accounts.

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

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

Opinion

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's and the group's affairs as at 31 March 2008 and of its incoming resources and application of resources in the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts



Kendall Wadley LLP
Chartered Accountants
Registered Auditor
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Dated 14 August 2008

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
Investment income		32,613	3,459	36,072	33,404
Incoming resources from charitable activities					
	2	446,106	1,703,765	2,149,871	2,216,234
Other incoming resources					
	3	52,845	-	52,845	92,402
Total incoming resources		531,564	1,707,224	2,238,788	2,342,040
Resources expended					
Charitable activities					
Grants payable	4	-	514,492	514,492	412,329
Provide & accommodate project workers		187,341	1,097,213	1,284,554	1,351,552
Programme running costs		-	387,682	387,682	526,710
Governance costs					
		33,486	-	33,486	34,233
Total resources expended	5	220,827	1,999,387	2,220,214	2,324,824
Transfers between funds	10	(287,805)	287,805	-	-
Net incoming/(outgoing) resources		22,932	(4,358)	18,574	17,216
(Losses)/gains on investment assets		(5,123)	-	(5,123)	1,309
Net movement in funds		17,809	(4,358)	13,451	18,525
Fund balances at 1 April 2007		319,861	49,567	369,428	350,903
Fund balances at 31 March 2008		337,670	45,209	382,879	369,428

The results set out in the consolidated Statement of Financial Activities are those of the group

All activities relate to continuing operations

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	2008	2007
	£	£
Total income	2,238,788	2,342,040
Total expenditure from income funds	2,220,214	2,324,824
Net income for the year	<u>18,574</u>	<u>17,216</u>

The summary income and expenditure account is derived from the statement of financial activities on page 14 which, together with the notes on pages 17 to 38, provides full information on the movements during the year on all funds of the charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income for the year	18,574	17,216
Unrealised gains on investment assets held by income funds	(5,123)	1,309
	<u>13,451</u>	<u>18,525</u>

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEETS
AS AT 31 MARCH 2008

	Notes	Group 2008 £	2007 £	Company 2008 £	2007 £
Fixed assets					
Tangible assets	11	58,689	51,441	58,689	51,441
Investments	12	18,257	23,380	18,258	23,381
		<u>76,946</u>	<u>74,821</u>	<u>76,947</u>	<u>74,822</u>
Current assets					
Debtors	13	141,828	175,812	141,828	175,812
Cash at bank and in hand		564,237	493,215	564,163	493,136
		<u>706,065</u>	<u>669,027</u>	<u>705,991</u>	<u>668,948</u>
Creditors: amounts falling due within one year	14	<u>(263,496)</u>	<u>(221,677)</u>	<u>(263,496)</u>	<u>(221,677)</u>
Net current assets		<u>442,569</u>	<u>447,350</u>	<u>442,495</u>	<u>447,271</u>
Total assets less current liabilities		<u>519,515</u>	<u>522,171</u>	<u>519,442</u>	<u>522,093</u>
Deferred income	15	<u>(136,636)</u>	<u>(152,743)</u>	<u>(136,636)</u>	<u>(152,743)</u>
Net assets		<u><u>382,879</u></u>	<u><u>369,428</u></u>	<u><u>382,806</u></u>	<u><u>369,350</u></u>
Income funds					
Restricted funds	17	45,209	49,567	45,209	49,567
Unrestricted funds					
Designated funds	18	112,377	79,757	112,377	79,757
General funds		225,293	240,104	225,220	240,026
		<u><u>382,879</u></u>	<u><u>369,428</u></u>	<u><u>382,806</u></u>	<u><u>369,350</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The accounts were approved by the Board on 14 August 2008

Mr Alistair Cormie
Director



Mr Brian Browne
Director



**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. All activities are continuing.

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 1985, the Charities Act 1993 and the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Incoming resources

Activity funding represents funds received by way of grants and funding agreements.

Investment income represents interest received from cash deposits and dividends and interest on fixed asset investments.

Other income represents subscriptions and fees.

All incoming resources are included in the accounts on a receivable basis.

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

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

1.4 Governance costs

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

1.5 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% cost or 15% of net book value
Fixtures, fittings & furniture	15% of net book value
Motor vehicles	25% on net book value

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

There are no inalienable assets.

In the opinion of the directors, none of the assets are believed to be impaired.

1.6 Lease commitments

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

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

1 Accounting Policies

(continued)

1.7 Investments

Investments 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.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the charitable company during the year in accordance with the FRSSSE.

1.9 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.

1.10 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 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Incoming resources	446,106	1,703,765	2,149,871	2,216,234

The appendix to the accounts on the final page provides further detail of the restricted fund income.

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

3 Other incoming resources

	2008	2007
	£	£
Subscriptions	10,672	9,413
Other fees	42,173	82,989
	52,845	92,402

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

4 Grants payable to institutions

	2008 £	2007 £
<u>Local Network Fund Grants Awarded over £1,000</u>		
Local Network Fund for Children and Young People was funded by the Department for Education and Skills		
Collar & Tie Theatre	-	6,950
Indigo Arts	-	7,000
Young Fire Fighters	-	5,996
Redditch Wheels	-	6,980
Kidz First Teme Valley	-	7,000
Wyre Forest LAFS	-	6,000
Worcester Pre-School Learning Alliance	-	5,968
TG's Project	-	6,000
Ashton Under Hill Playgroup	-	4,800
Dizz Kidz	-	6,901
Droitwich Air Cadets	-	1,740
Friday Fun Club	-	1,598
Malvern District Scout Group	-	1,759
Noah's Ark Nursery	6,282	4,038
Sedgeberrow Youth Group	-	7,000
St Lukes Arts Youth Group	-	2,843
Tiny Tots & Toddlers	-	5,280
Wyre Forest Women's Aid	6,000	6,000
Onside Independent Advocacy	6,000	6,000
Community Action Newtown	-	6,000
London Road Playgroup & Pre-School	-	3,250
Strikes Youth Club	3,993	4,000
Blatchley Support Group	-	6,000
Norton Pre-School	-	6,417
Asha Wyre-Forest	-	6,255
Bredon Play Group	-	3,114
Chatterbox Pre-School	-	7,000
Harvington Youth Council Project	-	7,000
Little Munchkins Young Parents	-	3,795
Worcester Diocesan Youth Council	-	5,890
Multi Agency Resource Centre	-	4,212
Beacon Church Mother & Toddler Group	-	4,058
Broadway and Tower View Playgroups	-	7,000
Wyre Forest Pre-School Learning Alliance	-	7,000
Hadzor & Oddingley Pre-School Group	-	6,260
9th Worcester Scout Group	-	6,967

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

4 Grants payable	(continued)	
Sticky Fingers at St Stephens	-	4,005
Southcrest Toddlers	-	1,770
Whats Your Point?	-	7,000
Malvern Childminders & Community Toddler Group	-	7,000
The Monday Mob	-	6,060
St Barnabas Pre-School	-	6,991
Evesham & Pershore Pre-School	-	6,999
Borrowers Toy Library	-	3,631
Eco Club (Westside Worcester)	-	7,000
Perdiswell Youth Inclusion Project	-	7,000
Bromsgrove & Redditch Autism Support Group	-	6,990
Sugarbrook Pre-School at St Andrews	-	6,935
First Malvern Boys Brigade	-	2,820
New Horizons	-	6,660
Rubery Community and Leisure Centre	-	6,915
Worcestershire Action for Youth	-	6,000
Rushwick Pre-School	5,479	-
Callow End Kiddies Corner	2,240	-
Bromsgrove Youth Homelessness Forum	6,000	-
Kidderminster Harriers	7,000	-
Oldington and Foley Park	7,000	-
Pippins Nursery	7,000	-
Malvern Special Families	7,000	-
Worcester Volunteer Centre/Genge Hub	6,496	-
Tenbury Drugs and Alcohol	3,700	-
WCVYS	7,000	-
Upton Blues Festival	3,730	-
Bromsgrove and Redditch Advocacy Group	6,958	-
Noah's Ark Trust 1998	7,000	-
Tan Lane Nursery	6,388	-
Powick Pre-School	5,500	-
Pinvin Pre-School	4,062	-
Pershore Riverside Youth Centre	7,000	-
Abberley Avenue Toddler Group	1,590	-
Barnt Green Sailing Club	6,800	-
St Mark in the Cherry Orchard	6,691	-
Villages Playgroup	6,451	-
Horizon Worcester Limited	7,000	-
Hopscotch Pre-School	3,942	-
Melody Makers	7,000	-
Wyre Forest Pony Club	6,110	-
Pershore Baptist Church	1,000	-
Cafe 27	4,546	-

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

4 Grants payable (continued)

The Ditch Project	4,461	-
Wyre Forest Advocacy	6,278	-
Bredon Youth Project	1,790	-
Perdiswell Play Scheme	6,980	-
Worcester Parent and Carers Council	5,787	-
For Droitwich Spa	7,000	-
Droitwich Spa Boys and Girls F C	7,000	-
Ten Acres Pre-School	5,214	-
Mentor Link 2nd Year Funding	2,700	-
Hallow PCC (JAM)	6,504	-
Sunbeams Pre-School	6,826	-
Lickey End Play Group	2,661	-
Youth Support Services	7,000	-
Oasis Christian Centre	4,993	-
3 Bears Pre-School	6,663	-
Mother's Union Diocese of Worcester	7,000	-
Defford Under 5's Group	2,255	-
All Women's/Sandycroft Multicultural Resource Centre	6,992	-
Talking Drums	6,856	-
Cofton Youth Group	4,000	-
Salvation Army Pre-School	4,500	-
Worcester Sea Cadets	2,000	-
Worcester Dragonboat Racing Club	5,000	-
Charlton and Cropthorne Pre-School	2,500	-
Malvern Creative Communities	6,000	-
St Richard's Hospice	3,694	-
Other grants under £1000 (3 in total)	1,950	-
	307,562	287,847

Nexus Grants Awarded over £1,000

nexus grants programme supporting the Rural Regeneration Zone in the West Midlands is funded by Advantage West Midlands

Rhydygroesau Village Hall	-	4,639
North Shropshire Furniture Scheme	-	5,000
The Walled Garden Project	-	4,860
South Shropshire Voluntary Action	-	3,917
Homeless in Oswestry Action Partnership	-	4,993
Relate (Worcestershire)	-	4,997
Jumpstart Kidz Ltd	-	4,790
Tenbury Wells Tounst Information	-	5,000

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

4 Grants payable	(continued)	
North Shropshire Voluntary Action	-	4,847
Trading Faces Arts	-	5,000
Kimbolton Nursery	-	1,641
Bishops Castle (Shropshire) Skateboard Association	-	4,988
Lacon Childe School	-	4,993
Bridgenorth & District Furniture Scheme	-	5,000
Cutting Block	-	5,000
Bizmatch Ltd	-	5,000
Bishops Castle Town Council	-	-
HCIL	4,572	-
Eardisley Church Development Committee	5,000	-
Mayfair Community Centre	4,932	-
Community Action Wyre Forest	4,995	-
ECHO for extra choices in Herefordshire	4,890	-
OPTIONS	4,750	-
Albington Methodist Church and Community Hall	4,000	-
Bridgnorth & District Citizens Advice Bureau	5,000	-
Enterprise South West Shropshire	2,480	-
Madley Pre-School	3,686	-
Ewyas Harold CAP	4,980	-
South Shropshire District Council	5,000	-
The Project Group	5,000	-
West Felton Post Office and Stores	5,000	-
Borderlines Film Festival	5,000	-
Greenacres Farm	5,000	-
Stretton Climate Care	5,000	-
Taking Part	4,852	-
Castle Community Leisure	2,000	-
Marches Access Point	4,592	-
Wyldewoods Community Interest Company	5,000	-
Martley Webmesh	5,000	-
Salters Hill Charity Limited	5,000	-
Malvern Hills District Citizens Advice Bureau	4,980	-
Martley Village Hall	3,823	-
Mediation Herefordshire	4,912	-
Age Concern Shropshire, Telford and Wrekin	5,000	-
Shifnal, Albington and District Live at Home Scheme	5,000	-
Oswestry Community Action	5,000	-
Belmont Arts Centre	5,000	-
Leominster Community Centre	3,462	-
HOPE	4,760	-
	147,666	74,665

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

4 Grants payable

(continued)

Parish Plan Grants Awarded over £1000

Cropthome PC	1,000	-
Ripple PC	1,000	-
Lower Broadheath PC	1,000	-
Crowle PC	1,000	-
Broadway PC	1,000	-
Elmley Castle PC	1,000	-
Churchhill & Blakedown PC	1,000	-
Cookhill PC	1,000	-
Flyford Flavell PC	1,000	-
Dodford & Grafton PC	1,000	-
Other grants under £1000 (2 in total)	1,100	-
	11,100	-

Elmley Arts Foundation Grants over £1000

Preston on Wye Village Hall	1,000	-
Leominster District Community Association	1,000	-
Hope Centre	1,000	-
The Courtyard Centre for Arts	1,000	-
Other grants under £1000 (19 in total)	9,616	-
	13,616	-

Community Champions Grants over £1000

Eardisley Heritage and Culture Website	1,410	-
Lyonshall Parish Website	1,970	-
NL's Sports Club	1,310	-
Green Tomatoes Theatre Group	1,680	-
Hereford Pain Support Group	1,246	-
Creative Skills for Bangladeshi Women	2,000	-
Mask & Puppet Making Workshop	1,370	-
Tenbury Football	1,000	-
Digital Inclusion for Everyone	1,821	-
Feel Good at Fairfield	1,386	-
Reclaiming Common Land	1,590	-
St Andrews Community Development	1,447	-
Garway Drama Project	2,000	-
Kidderminster Youth	1,010	-

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

4 Grants payable (continued)

Homelessness Film Project	1,752	-
Other grants under £1000 (2 in total)	1,793	-
	24,785	-

Other Grants Awarded over £1,000

Bromsgrove Carnival Procession	-	1,400
Carers Supporting Carers	-	1,940
St Barnabas Choir	-	1,276
Free Fundraising Services	-	1,087
Wychavon Student Windband	-	1,048
Hereford Disabled Peer Support Group	-	1,850
Community Firework Awareness	-	2,000
Inkberow Youth Consultation Event	-	1,170
Talking Drums	-	2,000
SAO	-	1,950
F & V Winter Workshop	-	2,161
Malvern Sea Cadets	-	1,995
Audio Play	-	2,000
Warndon Matters	-	1,900
Little Acorns Pre-School	-	1,857
Stock & Bradley Drop In Centre	-	1,275
Training Independent Volunteer Advocates	-	1,985
Cawley Hall Management Committee	-	1,000
Clowes Top Victory Hall	-	1,000
Bare Bones Theatre Company	-	1,000
Rotary Club of Evesham	-	1,000
Little Malvern & Welland Parish	-	1,000
Wythall Parish	-	1,000
Astley & Dunley Parish	-	1,000
Catshill Parish	-	1,000
Warndon Parish	-	1,000
2005/06 grant cancelled	-	(3,500)
Other grants under £1,000	9,763	15,423
	9,763	49,817
	514,492	412,329

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2008 £	Total 2007 £
Charitable expenditure					
Grants payable	-	-	514,492	514,492	412,329
Provide & accommodate project workers	877,911	46,355	360,288	1,284,554	1,351,552
Programme running costs	-	-	387,682	387,682	526,710
Governance costs	27,921	-	5,565	33,486	34,233
	<u>905,832</u>	<u>46,355</u>	<u>1,268,027</u>	<u>2,220,214</u>	<u>2,324,824</u>

Other costs relating to provide & accommodate project workers comprise

The following costs have been apportioned in accordance with accounting policy 1 3

Unrestricted funds

Staff training and conferences	416	647
Subscriptions	8,285	7,070
Office costs	22,947	15,598
Legal and professional fees	1,778	3,054
Consultancy fees	4,621	16,142
Events organised	1,144	2,933
Travel expenses	5,681	3,450
Other staff expenses	393	503

Restricted funds

Staff training and conferences	12,614	14,794
Publications	201	79
Subscriptions	1,697	1,498
Office costs	181,189	126,406
Consultancy fees *	87,543	97,537
Events organised	5,378	8,111
Travel expenses	15,853	19,892
Other staff expenses	199	265
Recruitment costs	10,349	13,735
	<u>360,288</u>	<u>331,714</u>

* Projects and research related expenditure to enhance delivery capacity

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

6 Analysis of governance costs

	2008	2007
	£	£
Audit fees	2,938	3,084
Travel expenses	-	2,135
Telephone and other staff expenses	346	12
Directors expenses	846	337
Office costs	1,435	-
	5,565	5,568

7 Directors

None of the directors (or any persons connected with them) received any remuneration during the year
 Directors were reimbursed expenses totalling £846 (2007- £337) during the year

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

8 Employees

Number of employees

The average monthly number of employees during the year was

	2008	2007
	Number	Number
	(full time	(full time
	equivalents)	equivalents)
Central Services	13	12
Health and Social Care	2	3
ICT	2	2
Learning and Skills	5	6
Rural Development	4	3
Transport	1	1
Business Support	4	5
Grant Management	1	1
Network Support	1	1
	33	34

Employment costs

	2008	2007
	£	£
Wages and salaries	790,508	757,497
Social security costs	73,398	69,720
Other pension costs	41,926	40,194
	905,832	867,411

There were no employees whose annual emoluments were £60,000 or more

9 Taxation

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

10 Transfers

The transfer from unrestricted funds to restricted funds is necessary to alleviate the excess of restricted expenditure over income

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

11 Tangible fixed assets (group and charity)

	Office equipment	Fixtures, fittings & furniture	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2007	345,605	17,514	-	363,119
Additions	41,354	6,711	5,795	53,860
Disposals	(10,099)	-	-	(10,099)
At 31 March 2008	376,860	24,225	5,795	406,880
Depreciation				
At 1 April 2007	297,923	13,755	-	311,678
On disposals	(9,842)	-	-	(9,842)
Charge for the year	45,550	564	241	46,355
At 31 March 2008	333,631	14,319	241	348,191
Net book value				
At 31 March 2008	43,229	9,906	5,554	58,689
At 31 March 2007	47,682	3,759	-	51,441

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

12 Fixed asset investments

Group	Other investments £	Total £
Market value at 1 April 2007	23,380	23,380
Change in value in the year	(5,123)	(5,123)
Market value at 31 March 2008	18,257	18,257
Historical cost		
At 31 March 2008	20,000	20,000
At 31 March 2007	20,000	20,000

Charity	Other investments £	Shares in other companies £	Total £
Market value at 1 April 2007	23,380	1	23,381
Change in value in the year	(5,123)	-	(5,123)
Market value at 31 March 2008	18,257	1	18,258
Historical cost			
At 31 March 2008	20,000	1	20,001
At 31 March 2007	20,000	1	20,001

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12 Fixed asset investments (continued)

Other investments comprises 13,360 units in the CAF Balanced Growth Fund

At 31 March 2008 the charity owned 100% shareholding in Community First in Herefordshire and Worcestershire Training & Advice Limited (formerly Community Council Hereford and Worcester Training & Advice Limited), which was incorporated in England. This is a dormant company with no activity in the year and no net assets other than its share capital. The acquisition was made in 1998/99.

13 Debtors (group and charity)	2008 £	2007 £
Other debtors	105,574	134,320
Prepayments and accrued income	36,254	41,492
	<u>141,828</u>	<u>175,812</u>

14 Creditors: amounts falling due within one year (group and charity)	2008 £	2007 £
Taxes and social security costs	30,377	28,597
Other creditors	204,362	152,328
Accruals	28,757	40,752
	<u>263,496</u>	<u>221,677</u>

Other creditors are in relation to invoices received after the year but relating to the financial year ending 31 March 2008.

15 Deferred income (group and charity)	2008 £	2007 £
Total deferred income at 1 April 2007	152,743	657,972
Amounts received in year	2,144,436	150,000
Amounts credited to statement of financial activities	(2,160,543)	(655,229)
Total deferred income at 31 March 2008	<u>136,636</u>	<u>152,743</u>

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16 Pension costs (group and charity)

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,926 (2007- £40,194)

The employer also participates in the Worcestershire County Council Pension Fund which is part of the Local Government Pension Scheme (LGPS), a multi-employer scheme. The LGPS is a defined benefit 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 Fund. Within this group, assets and liabilities of the 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 of the Fund. These accounts have therefore been drawn up in accordance with FRS17 on the basis that the pension cost is accounted for as a defined contribution scheme.

Information about the overall funding position of the Worcestershire County Council Pension Fund was provided by the actuary to the Fund in his report dated March 2008 on the actuarial valuation of the Fund as at 31 March 2007. That valuation showed the overall funding position of the Scheme as a whole was 72%, the deficit being £495,200,000. 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 Fund, which is reassessed at each triennial valuation.

The next full actuarial valuation of the Worcestershire County Council Pension Fund will be carried out with an effective date of 31 March 2010, with revised contribution rates being effective from 1 April 2011.

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17 Restricted funds (group and charity)

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 1 April 2007	Incoming resources	Resources expended	Transfers	Balance at 31 March 2008
	£	£	£	£	£
Restricted funds	-	1,707,224	(1,959,979)	252,755	-
Tangible fixed assets	40,734	-	(39,408)	35,050	36,376
Training	8,833	-	-	-	8,833
	<u>49,567</u>	<u>1,707,224</u>	<u>(1,999,387)</u>	<u>287,805</u>	<u>45,209</u>

Further details of restricted funds are included in the appendix to the accounts

The tangible fixed asset fund represents the net book value of fixed assets at 31 March 2008 which were purchased with restricted income

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 2008

18 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 1 April 2007	Incoming resources	Resources expended	Transfers	Balance at 31 March 2008
	£	£	£	£	£
Fixed Assets	10,707	-	-	11,606	22,313
Organisational development	10,000	-	-	58,500	68,500
Provision for laptop	550	-	-	550	1,100
Office relocation fund	58,500	-	-	(58,500)	-
Staffing reserve	-	-	-	20,464	20,464
	<u>79,757</u>	<u>-</u>	<u>-</u>	<u>32,620</u>	<u>112,377</u>

The fixed asset designated fund represents the balance of unrestricted tangible fixed assets yet to be depreciated of £22,313

An organisational development and realignment fund of £10,000 is designated at the start of the year and has been increased by £58,500 during the year

The office relocation fund has been expensed during the year

The laptop fund has been increased by £550 during the year

A new designation has been made in the year for staff support

COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
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NOTES TO THE ACCOUNTS (CONTINUED)
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19 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2008 are represented by			
Tangible fixed assets	22,313	36,376	58,689
Investments	18,257	-	18,257
Current assets	697,232	8,833	706,065
Creditors amounts falling due within one year	(263,496)	-	(263,496)
Deferred income	(136,636)	-	(136,636)
	<u>337,670</u>	<u>45,209</u>	<u>382,879</u>
Unrealised gains included above			
On investments (see below)	(5,123)	-	(5,123)
	<u>(5,123)</u>	<u>-</u>	<u>(5,123)</u>

Charity	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2008 are represented by			
Tangible fixed assets	22,313	36,376	58,689
Investments	18,258	-	18,258
Current assets	697,158	8,833	705,991
Creditors amounts falling due within one year	(263,496)	-	(263,496)
Deferred income	(136,636)	-	(136,636)
	<u>337,745</u>	<u>45,209</u>	<u>382,806</u>
Unrealised gains included above			
On investments (see below)	(5,123)	-	(5,123)
	<u>(5,123)</u>	<u>-</u>	<u>(5,123)</u>

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19 Analysis of net assets between funds

(continued)

Unrestricted funds includes designated fund balances of £22,313 as tangible fixed assets and £90,064 as current assets

20 Commitments under operating leases

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date				
Within one year	-	-	4,342	4,621
Between two and five years	46,925	-	12,524	2,455
In over five years	11,750	22,250	-	-
	<u>58,675</u>	<u>22,250</u>	<u>16,866</u>	<u>7,076</u>

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FOR THE YEAR ENDED 31 MARCH 2008**

21 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 Worcester College of Technology, Worcestershire Association of Voluntary Organisations in Community Care (WAVOCC), Worcestershire County Council, Advantage West Midlands (AWM), Diocese of Hereford, Government Office for the West Midlands (GOWM), Action with Communities in Rural England (ACRE) and Regional Action West Midlands (RAWM), see summary below

Community First's Chief Executive, Richard Quallington, is currently a board member of ACRE and the Rural Regeneration Zone (AWM), and was a board member of RAWM until February 2008. Honorary Treasurer, Mike Weaver is the Director of Financial Services at Worcestershire County Council. Magda Prail, a director of Community First, is Treasurer and Trustee of WAVOCC. Community First's President, Professor Michael G Clarke, is a non-executive member of the GOWM Strategic Board, and a non-executive Chairman of the Regional Marketing Board (AWM). Alwyn Pettersen, a director of Community First, is a member of the corporation of Worcester College of Technology. Revd Nick Read (also a director) and his wife are both employed by the Diocese of Hereford. All potential conflicts of interest are declared and governance mechanisms and processes are in place in relation to each of these related party transactions

Worcester College of Technology	Adult Apprenticeship, Workforce Development	£8,300
WAVOCC	Secretariat	£336
Worcestershire County Council	Rural Housing, Preventative Services, Gateway to Care, Supporting VCS, Transport, Chantry Information Service, Community Buildings, Community Resource Centre, Training & Learning	£205,779
AWM	Nexus grants scheme, Access to Services & Transport Advice	£256,609
GOWM	Community Champions	£24,479
Diocese of Hereford	Community Buildings Advice	£250
ACRE	Community Planning	£1,000
RAWM	West Midlands RCC Network	£7,500

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FOR THE YEAR ENDED 31 MARCH 2008**

22 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

**COMMUNITY FIRST IN HEREFORDSHIRE AND WORCESTERSHIRE
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APPENDIX

ANALYSIS OF RESTRICTED AND UNRESTRICTED CHARITABLE INCOME

Restricted

<u>Funder</u>	<u>2008</u>	<u>2007</u>
	£	£
Learning & Skills Council/Cofinancing	6,401	66,479
Worcs County Council	31,484	89,981
Elmley Art Foundation	18,116	20,678
Housing Associations	28,820	26,023
Herefordshire Council	17,050	37,575
Government Office West Midlands (incl Capacity Builders)	605,557	748,502
Department for Environment, Food & Rural Affairs	264,279	340,983
Advantage West Midlands	256,609	145,031
Wychavon District Council	4,326	3,285
Malvern Hills District Council	6,089	2,737
Wyre Forest District Council	756	639
The National Lottery Awards for All	4,960	4,960
Big Lottery - Well Being	13,085	-
Big Lottery - BASIS	30,157	3,857
Regional Action West Midlands	7,500	-
Bromsgrove District Council	850	-
National Council for Voluntary Organisations	6,445	-
Department for Children Schools and Families	360,287	332,452
Sport Relief	1,500	-
National Association for Voluntary and Community Action	35,425	-
University of Warwick	6,635	-
Worcester College of Technology	8,300	-
AOL	886	-
Business Link West Mercia	-	6,300
Worcs Health Authority	-	31,366
ERDF Grant	-	94,592
Single Regeneration Budget	-	1,269
AON	-	4,162
Other	- 11,752	17,694
	1,703,765	1,978,565

Unrestricted

<u>Funder</u>	<u>2008</u>	<u>2007</u>
	£	£
Department for Environment, Food & Rural Affairs	106,884	74,497
Worcs County Council	174,295	30,985
Herefordshire Council	64,990	36,465
Learning & Skills Council	3,770	10,699
Training receipts	1,469	13,135
CRC fee income	12,415	18,159
Sale of publications	374	758
Housing Associations	19,999	-
Worcestershire Primary Care	54,008	-
Worcs Health Authority	-	49,884
Other	7,902	3,087
	446,106	237,669