

Itchen South District Scouts
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017
Registered Charity Number: 283765

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Trustees' Report for the year ended 31 December 2017

Trustees

President	Vacant
Vice President	Graham Taylor

Charity Trustees who manage the Charity

	Trustee Name	Office
1	Gordon Brakewell	Chairman
2	Sharon Ross	District Commissioner (Resigned 16 July 2018)
3	Mark Langdown	District Commissioner (appointed 16 July 2018)
4	Michelle Doncom	Secretary (elected 14 May 2018)
5	Kim Dale	Treasurer (resigned 10 September 2018)
6	Eric Gerrey	Treasurer (elected 10 September 2018)
7	Stuart Morgan Barstow	Deputy District Commissioner (appointed 16 July 2018)
8	Neil O'Sullivan	Deputy District Commissioner (appointed 16 July 2018)
9	Susan Parker	District Explorer Scout Commissioner
10	Richard Rex	District Network Commissioner
11	Nicholas Cann	Elected Member
12	Alister Ross	Elected Member
13	Martin Dale	Elected Member
14	Sandra Viney	Elected Member (resigned 22 January 2018)
15	Steven Moore	Elected member (resigned 20 March 2018)
16	Aileen Wood	Nominated Member
17	June Burton	Nominated Member
18	Jan Barfoot	Nominated Member

Advisors

1	Jan Barfoot	Adult Training
2	Martin Dale	ADC Activity Centre and Campsite
3	Aileen Wood	Safeguarding and Safety
4	Steve Moore	Health and Safety

The trustees present their report and financial statements of the charity for the year ended 31st December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16th July 2016.

Structure, Governance and Management

The District's governing documents are those of the Scout Association. They consist of a Royal Charter, which in turn gives authority to the Bye Laws of the Association and The Policy, Organisation and Rules of the Scout Association. The District is governed by a trust deed dated 15 December 1981 and is registered under the Charities Act 2011, registration number 283765. The trust is established under the rules, which are common to all Scouts.

The Trustees are appointed in accordance with the Policy, Organisation and Rules of The Scout Association. The District is managed by the Executive Committee, the members of which are the 'Charity Trustees' of the Scout District which is an educational charity. As charity trustees they are responsible for complying with legislation applicable to charities. This includes the registration, keeping proper accounts and making returns to the Charity Commission as appropriate.

The Executive Committee consists of three independent officers, Chair, Treasurer and Secretary together with Ex Officio District Leaders, Elected and Nominated members and meets every two months. This Executive Committee exists to support the District Commissioner in meeting the responsibilities of the appointment and is responsible for: the maintenance of District property; the raising of funds and the administration of finance; the insurance of persons, property and equipment; Public occasions; Assisting in the recruitment of leaders and other adult support; Appointing any sub committees that may be required; Appointing Administrators and Advisors other than those who are elected.

The elected members and nominated members stand for one year, and then are re-elected at the AGM. There is no time limit to which they are able to stand.

Risk and Internal Control

The Executive Committee has identified the major risks to which they believe the District is exposed, these are regularly reviewed and systems have been established to mitigate risks. The main areas of concern are:

- Damage to buildings, property and equipment: The District would request the use of buildings, property and equipment from neighboring organisations such as the Local Authority and other Scout Districts. The District has sufficient buildings and contents insurance in place to mitigate permanent loss.
- Injury to leaders, helpers, supporters and members: The District through the membership fees contributes to the Scout Associations national accident insurance policy. Risk Assessments are undertaken before all activities.
- The District does hold a reserve to ensure the continuity of activities should there be a major reduction in income. The Committee could raise the value of subscriptions to increase the income to the District on an ongoing basis, either temporarily or permanently.
- Reduction or loss of leaders: The District is totally reliant upon volunteers to run and administer the activities of the District, and to market, administer and develop the campsite and activity centre. If there were a reduction in the number of leaders to an unacceptable level in a particular section or the District as a whole then there would have to be a contraction, consolidation or closure of a section. The worst-case scenario would be the complete closure of the District.
- Reduction or loss of members: The District provides activities for young people aged 6 to 18. If there were a reduction in membership in a particular section or the District as whole then there would have to be a contraction, consolidation or closure of a section. The worst-case scenario would be the complete closure of the District.

The District has in place systems of internal controls that are designed to provide reasonable assurance against material mismanagement or loss; these include two signatories for all payments and comprehensive insurance policies to ensure that insurable risks are covered.

Objectives and Activities

The purpose of Scouting: Scouting exists to actively engage and support young people in their personal development, empowering them to make a positive contribution to society. The method of achieving the aim of the Scout Association is by providing an enjoyable and attractive scheme of progressive training, based on the Scout Promise and Law and guided by adult leadership.

The main activities in relation to these objectives are the provision of camping and activity facilities at Cricket Activity Centre within Manor Farm Country Park and the provision of services to the various Scout Groups within the District. The district provides subsidized activities and training, gives grants to members for overseas expeditions and assists in cases of hardship. The district also has self-funding activities including Networks, Mountaineering Team (ISMT), Explorers Scouts and Canoe Centre.

Public Benefit Statement

The District meets the Charity Commission's public benefit criteria under both the advancement of education and the advancement of citizenship or community development headings.

Achievements and Performance

The District continued to assist Groups with funding for foreign trips to give young people experiences they would not normally gain within the context of Scouting. We are looking to provide assistance for the future expeditions to World Scout Jamboree in America and other expeditions. The District hope to finally conclude the negotiations with Hampshire County Council over the long-term Lease with Cricket Activity Centre. We have agreed a 30-year Lease, which is in the process of being signed, which will greatly help the level of funding we can achieve from outside sources. This will open the site to hopefully more young people wanting outdoor experiences and activities.

Financial Review

The principal sources of fund in the period were Scout membership subscriptions, activity centre and campsite income, building rent and activities fees. We have also an agreement for a S106 Grant from Eastleigh Borough Council for a total of £135,000 for the refurbishment of Pauline's Lodge, which to date we have received £42,000. The principal expenditure in the year was membership subscriptions to the Scout Association, activity centre and campsite running costs, general administration expenses, and the refurbishment of Pauline's Lodge. The total funds show net incoming resources of £45,959 in the year. The unrestricted funds show net incoming resources of £15,958 in the year compared to net outgoing resources of £8,481 the previous year. This change is due mainly to an increase in Activity Centre income, and an insurance claim for the Canoe Club.

Reserves Policy

The Trustees have established a policy whereby unrestricted funds are not committed or invested in intangible fixed assets. The "free reserves" held by the charity should be between 3 and 6 months of the resources expended. This policy equates to having between £25,000 and £50,000 in general funds to be able to continue the current activities of the charity. At 31st December 2017 free reserves are £62,463. (£42,742 at 31 December 2016).

Investment policy

The district does not have sufficient funds to invest in longer-term investments. The District has therefore adopted a strategy averse to risk in the investment of its funds. All funds are held in cash in mainstream banks, and its Principal Bankers are Lloyds Bank plc, 36 Market Street, Eastleigh, Hampshire.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments and estimates that are reasonable and prudent;

- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information in accordance with legislation in the United Kingdom governing the preparation and dissemination of the financial statements.

Declaration

The trustees declare that they have approved the trustees report above.

Signed on behalf of the Trustees, on 10th September 2018

Gordon Brakewell – District Chair

Eric Gerrey – District Treasurer

**Independent Examiner's Report to the Trustees
For the Year Ended 31 December 2017**

Itchen South District Scout Council

I report on the accounts of the District for the year ended 31st December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the trustees in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees for my examination work.

Respective responsibilities of Trustees and Examiner

The Group's/District's trustees are responsible for the preparation of the accounts. They consider that an audit is not required for this year (under Section 144 of the Charities Act 2011 (the Charities Act)) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under Section 145 of the Charities Act);
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under Section 145(5)(b) of the Charities Act); and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Group/District and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act ;and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: David Richards FAAT

Qualification: Moore Stephens (South) LLP

Address: 114 High Street, Southampton SO14 2AA

Date: 31 October 2018

**Consolidated Statement of Financial Activities
For the Year Ended 31 December 2017**

		Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£
	Note				
Total incoming resources:					
Charitable trading income	2	109,204	1	109,205	83,116
Other Income	3	-	42,000	42,000	-
Total incoming resources		109,204	42,001	151,205	83,116
Resource Expended					
Charitable trading costs	4	77,089	-	77,089	71,730
Other Expenditure:					
Management and administration of the charity		16,157	12,000	28,157	19,867
Total resources expended		93,246	12,000	105,246	91,597
Net incoming/(outgoing) resources		15,958	30,001	47,959	(8,481)

**Balance Sheet
as at 31 December 2017**

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
				(As re-stated)
Fixed Assets	Note 5			
Buildings	191,776	-	191,776	191,776
Equipment	10,887	-	10,887	14,650
	212,663	-	212,663	206,426
Current Assets				
Stock	3,149	-	3,149	5,562
Debtors	890	-	890	1,481
Bank and Cash Balances	68,149	30,001	98,150	45,175
	72,188	30,001	102,189	52,218
Current Liabilities				
Amounts falling due within one year:				
Deposits received	2,040	-	2,040	1,520
Activity Centre Loan	6,500	-	6,500	6,500
Creditors	1,185	-	1,185	1,456
	9,725	-	9,725	9,476
Net Current Assets	62,463	-	62,463	42,742
Net Assets	275,126	30,001	295,127	249,168
Represented by:				
Fund balances as at 31 December 2015	137,649	-	137,649	
Period prior adjustment	120,000	-	120,000	
As re-stated	257,649	-	257,649	257,649
Net outgoings	(8,481)	-	(8,481)	(8,481)
Fund balances as at 31 December 2016	249,168	-	249,168	249,168
Net income for the year	15,958	30,001	45,959	-
Fund balances as at 31 December 2017	265,126	30,001	295,127	249,168

Eric Gerrey – District Treasurer

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant adjustment and key assumptions that affect items in the accounts are to do with bringing the fixed asset of Pax Hall into the accounts. With respect to the next reporting period, 2018, the most significant areas of uncertainty is the introduction of the fixed asset of 17th Itchen Head Quarters into the accounts, the re-valuation of Pax Hall and 17th Itchen Head Quarters, together with the fixed asset of the Commercial Premises that is jointly owned by Southampton City, Itchen North and Itchen South Districts and the funds that have been held for that asset.

b) Reconciliation with previously Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatement was required, other than introduction of Pax Hall. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP.

c) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. There is a single restricted fund, S106 Grant, restricted to refurbishing Pauline's Lodge.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

d) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest being payable by the bank.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

f) **Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

g) **Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is calculated to write down the cost of fixed assets over their expected useful lives except for freehold property, at the following rates:

Equipment: 25% reducing balance basis

2. Charitable Trading Income

	Unrestricted	
	<u>2017</u>	<u>2016</u>
	£	£
General	47,355	33,769
Campsite	26,709	21,750
Activities Team	2,427	1,545
Canoe Centre	16,093	9,420
Columbus Explorer Unit	-	1,457
Tuck Shop	2,757	4,678
Spartan Explorers Unit	-	3,022
Apollo Explorers Unit	5,338	1,734
Spitfire Explorers Unit	4,509	2,601
Old Scout Bushcraft	4,016	3,140
	<u>109,204</u>	<u>83,116</u>

3. Other Income

Unrestricted

This is the income received during the year from the S106 Grant from Eastleigh Borough Council, which is being used to refurbish Pauline's Lodge. The total amount of the grant will be approximately £135,000, and will be payable over a period of eighteen months.

4. Charitable Trading Expenses

	<u>2017</u>	<u>2016</u>
	£	£
General	19,049	18,033
Campsite	30,522	29,217
Activities Team	2,159	1,353
Canoe Centre	6,992	7,664
Columbus Explorer Unit	-	1,597
Tuck Shop	5,661	4,335
Spartan Explorers Unit	-	3,431
Apollo Explorers Unit	4,572	1,429
Spitfire Explorers Unit	3,563	2,069
Old Scout Bushcraft	4,571	2,602
	<u>77,089</u>	<u>71,730</u>

5. Fixed Assets

	Pax Hall	Pauline's Lodge	Equipment	Total
	£	£	£	£
COST:				
At 1 January 2017 – as re-stated	120,000	71,776	81,896	273,672
Additions	-	-	-	-
At 31 December 2017	120,000	71,776	81,896	273,672
DEPRECIATION:				
At 1 January 2017	-	-	67,246	67,246
Charge for the year	-	-	3,763	3,763
At 31 December 2017	-	-	71,009	71,009
NET BOOK VALUES				
At 31 December 2016	120,000	71,776	14,650	86,426
At 31 December 2017	120,000	71,776	10,887	202,663

(a) Pax Hall

The land and building has been owned by Itchen South District Scouts for a number of years, but the value has not been shown in the accounts until now, as a prior period adjustment. The last valuation was done in 2008, and it will be re-valued in 2018.

(b) Pauline's Lodge

The land for this building owned by Itchen South District Scouts is leased on a 30 year lease from Hampshire County Council.

	£
Building Costs	111,634
Less: Grants Received	<u>39,858</u>
Cost at 31 December 2017	<u>71,776</u>

(c) Equipment

Equipment has not been stated at the original cost. This is due to lack of historical information.

6. Members subscriptions

	2017	2016
Income	30,485	27,871
Expenditure	<u>24,212</u>	<u>23,312</u>
	<u>6,273</u>	<u>4,559</u>

Membership subscriptions are shown on a “cash basis” in these accounts.

Membership subscriptions are collected in advance.

The amount received during the year is shown in the Statement of Financial Activities.

Subscriptions are paid on to National/County/District.

7. Southampton Joint Finance Committee

Itchen South, along with Itchen North and Southampton City District Scouts jointly own a commercial property, which at the last valuation, has a value of £255,644, and split the income equally between the three districts.

For the 2018 accounts, the value of the fixed asset will be introduced to the accounts, together with the funds that are held by this account. The value of the asset and funds will be split equally between the three districts.

8. Analysis of current assets

	2017	2016
Stock	3149	5562
Debtors	890	1481
Cash at bank	<u>98,150</u>	<u>45,175</u>
Total	<u>102,189</u>	<u>52,218</u>

Stock has been valued at cost of the item. During the year, a total of £2,344 was written off the value of stock due to items being out of date.

Debtors are related to unrestricted funds in both 2017 and 2016, and relate to deposit of £150 paid in advance for District Camp 2018, £740 monies due to Campsite for activities in 2017 and prior.

Cash at bank balances were as follows: unrestricted funds £68,149 (2016: £45,175), and restricted funds £30,001 (2016: nil)

a) Cash at Bank

	2017	2016
General	34,394	18,468
Campsite	5,334	4,024
Activities	3,733	3,465
Canoe Centre	14,344	5,243
Tuck Shop	3,190	4,681
Apollo ESU	3,198	2,432
Spitfire ESU	3,127	2,181
Old Scout Bushcraft	<u>829</u>	<u>4,681</u>
Total	<u>68,149</u>	<u>45,175</u>
Unrestricted funds	<u>30,001</u>	<u>-</u>
Total	<u>98,150</u>	<u>45,175</u>

9. Analysis of current liabilities

Creditors under one year	2017	2016
Deposits received	2,040	1,520
Activity centre loan	6,500	6,500
Creditors	<u>1,185</u>	<u>1,456</u>
Total	<u>9,725</u>	<u>9,476</u>

All creditors in 2017 and 2016 relate to unrestricted funds.

The deposits received in 2017 for campsite activities in 2018.

Creditors are deposits received for District Camp 2018.