

Itchen South District Scouts
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019
Registered Charity Number: 283765

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Trustees' Report for the year ended 31 December 2019

Trustees

President	Graham Taylor (resigned 11 June 2019) June Burton (elected 11 June 2019)
Vice President	Joan Veal (elected 11 June 2019) Charles Hockley (elected 11 June 2019)

Charity Trustees who manage the Charity

	Trustee Name	Office
1	Gordon Brakewell	Chairman (resigned 11 June 2019)
2	Adrian Mori	Chairman (elected 11 June 2019)
3	Mark Langdown	District Commissioner
4	Michelle Doncom	Secretary
5	Eric Gerrey	Treasurer
6	Stuart Morgan Barstow	Deputy District Commissioner
7	Neil O'Sullivan	Deputy District Commissioner
8	Susan Parker	District Explorer Scout Commissioner
9	Richard Rex	District Network Commissioner
10	Nicholas Cann	Elected Member (resigned 11 June 2019)
11	Alister Ross	Elected Member (resigned 11 June 2019)
12	Martin Dale	Nominated Member
13	Aileen Wood	Nominated Member
14	June Burton	Nominated Member (resigned 11 June 2019)
15	Jan Barfoot	Nominated Member

Advisors

1	Russ Parke	Campsite
2	Steve Moore	Health and Safety

The Trustees present their report and financial statements of the charity for the year ended 31st December 2019. 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 subsidised 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), Active Support Unit, 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 The Gambia. We are still trying to agree a new 30-year Lease with Hampshire County Council for the site at Cricket Camp, but it is looking like we will revert back to the renewing the old lease, due to a change in our circumstances.

Financial Review

The principal sources of funds in the period were Scout membership subscriptions, activity centre and campsite income, building rent and activities fees. The refurbishment of Pauline's Lodge, which to date we have received £134,000, is nearly complete with the exception of the climbing tower which is in the process of being refurbished. 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 outgoing resources of £10,847 in the year. The unrestricted funds show net outgoing resources of £20,957 in the year compared to net outgoing resources of £14,680 the previous year. The change to the total funds is due mainly to refurbishment costs for the Activity Centre and the District Headquarters.

The District Headquarters has been refurbished, with more work to be done, and is used for District meetings, and by both the Apollo ESU and Spitfire ESU. The back room of the premises has been leased to "Monty's", a local charitable organisation, which will use the room for repair bikes.

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 2019 free reserves are £75,528. (£95,828 at 31 December 2018).

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 judgements 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 its activities.

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 11 June 2020

Adrian Mori – District Chair

Eric Gerrey – District Treasurer

**Independent Examiner's Report to the Trustees
For the Year Ended 31 December 2019**

Itchen South District Scout Council

I report on the accounts of the District for the year ended 31st December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and related notes on pages 10 – 14.

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 Charity'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 FMAAT

Address: C/O 100 Newlands Avenue, Southampton SO15 5ES

Date: 26th October 2020

**Consolidated Statement of Financial Activities
For the Year Ended 31 December 2019**

		Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018 (as restated)
		£	£	£	£
	Note				
Total incoming resources:					
Charitable trading income	2	111,049	12	111,061	108,513
Other Income	3	<u>-</u>	<u>12,500</u>	<u>12,500</u>	<u>80,000</u>
Total incoming resources		<u>111,049</u>	<u>12,512</u>	<u>123,561</u>	<u>188,513</u>
Resource Expended					
Charitable trading costs	4	119,217	2,402	119,217	73,091
Other Expenditure: Management and administration of the charity	5	<u>10,303</u>	<u>-</u>	<u>12,705</u>	<u>130,023</u>
Total resources expended		<u>129,520</u>	<u>2,402</u>	<u>131,922</u>	<u>203,114</u>
Net incoming/(outgoing) resources		(18,471)	10,110	(8,361)	(14,601)
Other recognised gains/(losses)					
Share of SJSFC		<u>(2,486)</u>	<u>-</u>	<u>(2,486)</u>	<u>1,506</u>
		(20,957)	10,110	(10,847)	(13,095)
Revaluation Reserve	6	<u>293,224</u>	<u>-</u>	<u>293,224</u>	<u>-</u>
		<u>272,267</u>	<u>10,110</u>	<u>282,377</u>	<u>(13,095)</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

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 recognised 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), SORP Oct 2019 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.

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 the introduction of the District Headquarters and the Poseidon ESU.

c) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. There are two restricted funds, S106 Grant, restricted to refurbishing Pauline's Lodge, and a donation that has to be used towards the improvements to the grounds at the Campsite.

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 rates:

Equipment: 25% reducing balance basis

h) Revaluation of properties

As all the properties that owned by the District are at least 30 years old, and the last valuation for Pax Hall was done in 2008, it has been agreed that all properties will be revalued every 10 years, with the first revaluation taking place during 2019.

2. Charitable Trading Income

	<u>2019</u>	<u>Unrestricted</u> <u>2018</u>
	£	£
General	38,997	38,526
Campsite	27,205	34,104
Activities Team	2,995	2,025
Active Support Unit	10,423	350
Canoe Centre	19,274	16,936
Apollo Explorers Unit	5,315	5,116
Spitfire Explorers Unit	1,877	3,112
Poseidon Explorers Unit	2,941	-
Tuck Shop	<u>2,003</u>	<u>3,321</u>
	111,031	108,491
Unrestricted interest	<u>18</u>	<u>14</u>
Total income	<u>111,049</u>	<u>108,505</u>

3. Other Income

	<u>2019</u>	<u>Restricted</u> <u>2018</u>
	£	£
Interest	12	8
Donation	500	-
Campsite	<u>12,000</u>	<u>80,000</u>
	<u>12,512</u>	<u>80,008</u>

The Campsite income 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 was £134,000. We also received £500 as a Donation to be spent on the Campsite.

4. Charitable Trading Expenses

	<u>2019</u>	<u>2018</u>
	£	£
General	57,141	23,751
Campsite	27,465	26,214
Activities Team	2,744	2,694
Active Support Unit	10,831	242
Canoe Centre	9,085	8,187
Apollo Explorers Unit	5,806	5,152
Spitfire Explorers Unit	1,115	2,754
Poseidon Explorers Unit	2,827	-
Tuck Shop	<u>2,203</u>	<u>4,097</u>
	<u>119,217</u>	<u>73,091</u>
Restrictive Expenses:		
Campsite	<u>2,402</u>	<u>107,783</u>
	<u>2,402</u>	<u>107,783</u>

5. Management and Administration of the Charity

	<u>2019</u> £	Unrestricted <u>2018</u> £
District Officers' Expenses	91	1,045
Other Expenses	3,768	15,947
Depreciation	<u>6,444</u>	<u>5,248</u>
	<u>10,303</u>	<u>22,240</u>

5. Revaluation Reserve

The three properties that are owned by the District were revalued during 2019 by Primmer Olds LLP and the new values have been incorporated into the accounts during 2019, and are as follows:-

	<u>2019</u> £	<u>2018</u> £
District Headquarters	130,000	130,000
Pax Hall	115,000	120,000
Pauline's Lodge	<u>370,000</u>	<u>71,776</u>
	<u>615,000</u>	<u>321,776</u>

6. Fixed Assets

	Commercial Premises £	District Headquarters £	Pax Hall £	Pauline's Equipment Lodge £	£	Total £
COST:						
As previously reported	85,215	-	120,000	71,776	89,324	366,315
Prior year adjustment (a)	<u>-</u>	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
At 1 January 2019	85,215	130,000	120,000	71,776	89,324	496,315
Additions	-	-	-	-	5,983	5,983
Revaluation in the year	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>298,224</u>	<u>-</u>	<u>293,224</u>
At 31 December 2019	<u>85,215</u>	<u>130,000</u>	<u>115,000</u>	<u>370,000</u>	<u>95,307</u>	<u>795,522</u>
DEPRECIATION:						
At 1 January 2019	-	-	-	-	76,257	76,257
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,444</u>	<u>6,444</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,701</u>	<u>82,701</u>
NET BOOK VALUES						
At 31 December 2018	<u>85,215</u>	<u>130,000</u>	<u>120,000</u>	<u>71,776</u>	<u>13,067</u>	<u>420,058</u>
At 31 December 2019	<u>85,215</u>	<u>130,000</u>	<u>115,000</u>	<u>370,000</u>	<u>12,606</u>	<u>712,821</u>

(a) Commercial Premises

These premises have been owned by Southampton City, Itchen North and Itchen South Districts for a number of years, but they have not been shown on our Balance Sheets. There is a yearly income from the letting of the unit, and the income, after costs, are shared equally between the three districts. The present value of the building is £255,644, and this is equally split between the three districts, together with any balance of funds that are held for the purpose of running the building.

(b) District Headquarters

These were the old 17th Itchen Headquarters, but the Scout Group disbanded during 2018, and under POR rules, the District has the responsibility to take over the premises until such time as a new group can be formed. In the meantime, the Executive Committee agreed to use the premises for the District Headquarters. These premises were valued during the year at £130,000.

(c) 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 was revalued in 2019 at £115,000.

(d) 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. These premises were valued at £71,776 when they were first erected, but were re-valued in 2019 at £370,000.

(e) Equipment

Equipment purchased prior to these account have not been stated at the original cost, due to lack of historical information.

8. Members subscriptions

	2019	2018
	£	£
Income	33,447	31,591
Expenditure	<u>26,530</u>	<u>25,428</u>
	<u>6,917</u>	<u>6,343</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.

9. 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.

10. Analysis of current assets

	2019	2018
	£	£
Stock	2,500	4,000
Debtors	3,840	5,315
Cash at bank	<u>86,150</u>	<u>92,999</u>
Total	<u>92,490</u>	<u>102,314</u>

Stock has been valued at cost of the item.

Debtors are related to unrestricted funds in both 2019 and 2018, and relate to deposit of £2,160 paid in advance for District Camp 2020, deposit paid in advance for Mountaineering Expeditions in 2020 of £255, monies due to Campsite for activities in 2019 and prior of £1,125, and monies due to Poseidon ESU from their group funds of £300.

Cash at bank balances were as follows: unrestricted funds £73,814 (2018: £90,577), and restricted funds £12,336 (2018:£2,226)

(a) Cash at Bank

	2019	2018
	£	£
General	11,320	33,315
Campsite	6,056	3,388
Activities	3,060	2,259
Active Support Unit	379	2,096
Canoe Centre	21,801	15,665
Apollo ESU	2,671	3,161
Spitfire ESU	4,247	3,485
Poseidon ESU	285	-
Tuck Shop	2,864	1,564
Southampton Joint Scouts Finance Committee	<u>21,131</u>	<u>25,840</u>
Total unrestricted funds	<u>73,814</u>	<u>90,773</u>
Restricted funds	<u>12,336</u>	<u>2,226</u>
Total	<u>86,150</u>	<u>92,999</u>

11. Analysis of current liabilities

Creditors under one year	2018	2017
	£	£
Deposits received	2,010	1,470
Activity centre loan	-	-
Creditors	<u>2,616</u>	<u>2,594</u>
Total	<u>4,626</u>	<u>4,064</u>

All creditors in 2019 and 2018 relate to unrestricted funds.

Creditors are Hire of Lakeside for the Canoe Club, funds owed by Poseidon ESU to their group, and monies owed by the Southampton Joint Finance Committee.

12. Prior year adjustment

The prior year adjustment relates to the introduction of the Poseidon ESU and the District Headquarters into the District accounts.

13. Movement of funds

Funds	Unrestricted Fund £	Restricted Fund £	Total 2019 £	Total 2018 £
Funds b/f as restated	516,082	2,226	518,308	531,403
Income	<u>111,049</u>	<u>12,512</u>	<u>123,561</u>	<u>188,513</u>
	627,131	14,738	641,869	719,916
Expenses	<u>129,520</u>	<u>2,402</u>	<u>131,922</u>	<u>203,114</u>
	497,611	12,336	509,947	516,802
Other recognised gains/(losses)	<u>293,224</u>	-	<u>293,224</u>	-
	790,835	12,336	803,171	516,802
Share of SJFC	<u>(2,486)</u>	-	<u>(2,486)</u>	<u>1,506</u>
Funds c/f	<u>788,349</u>	<u>12,336</u>	<u>800,685</u>	<u>518,308</u>