

**South of  
England  
Foundation**

**Operating as Charlton  
Athletic Community Trust**

**Annual Report and Consolidated  
Financial Statements**

31 March 2017

Company Limited by Guarantee  
Registration Number  
04654582 (England and Wales)

Charity Registration Number  
1096222

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**Reference and Administrative Details of the Charity, its Trustees and Advisers** Year to 31 March 2017

<b>Trustees</b>	Roger Godsiff MP – Chair Luke Ashworth Peter Cousins FCA Paul Elliott CBE Ken Palmer Paul Statham Marilyn Toft David White
<b>Company Secretary</b>	Taylor Business Services
<b>Chief Executive</b>	Jason Morgan MBE
<b>Honorary Life President</b>	Sir Maurice Hatter
<b>Vice President</b>	Lord Grade of Yarmouth CBE
<b>Registered office and operating office</b>	Charlton Athletic Training Ground Sparrows Lane New Eltham London SE9 2JR
<b>Trust Ambassadors</b>	Paul Dunn MBE Steve Sutherland
<b>Youth Service Ambassador</b>	Dave Berry
<b>Disability and Mental Health Ambassador</b>	Andy Barrow
<b>Equality and Diversity Ambassador</b>	Martin Simons
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Bank of Scotland plc PO Box 54873 London SW1Y 5WX

**Reference and Administrative Details of the Charity, its Trustees and Advisers** Year to 31 March 2017

<b>Legal/HR Consultants</b>	Outset (UK) Limited Vinters Business Park New Cut Road Maidstone ME14 5NZ
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<b>Website</b>	<a href="http://www.cact.org.uk">www.cact.org.uk</a>
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## Financial Highlights

	2017 £000's	2016 £000's
<b>Total income</b>	<b>6,956</b>	5,513
<b>Total expenditure</b>	<b>(5,574)</b>	(5,825)
<b>Net income (expenditure)</b>	<b>1,382</b>	(312)
<b>Expenditure</b>		
<b>Charitable activities</b>		
. Youth Services	1,140	1,477
. Social Action and Enterprise	598	499
. Football and Sports Development	1,278	1,207
. Education	683	923
. Health Improvement	790	853
. Early Help and Prevention	889	645
. Equality, Diversity and Inclusion	109	134
	<b>5,487</b>	5,738
<b>Cost of raising funds</b>	<b>87</b>	87
	<b>5,574</b>	5,825

## Highlights of the Year

### *Legacy Donation*

In March 2016, Charlton Athletic Community Trust (CACT) was notified of a legacy donation from a former trustee, Tom Mackie, who had sadly passed away. Tom was a founder and valued member of the board and served for 7 years. The value of the legacy is estimated at approximately £1.5m and is included in "total income" above.

### *Youth Services*

CACT successfully delivered targets set by the Royal Borough of Greenwich for the delivery of the youth service that included increasing female participation to 45%.

### *Social Action and Enterprise*

Between January and March 2017, CACT delivered 62 National Citizen Service recruitment events in 47 schools in North and West Kent engaging with 7,757 young people to promote the summer programme.

### *Football and Sports Development*

CACT delivered the "One Goal" programme in partnership with eight London Football Clubs which received the L&Q Housing Association "Creating Places Community Project Award".

### *Education*

CACT in partnership with the University of Greenwich developed a two year Foundation Degree in Community Sport. The course is aimed at individuals with a passion for sport who wish to pursue a career in community sport and will start in September 2017.

### *Health Improvement*

This was the 11<sup>th</sup> anniversary year of the "Kick the Habit" smoking cessation programme that to date has supported 2,422 people to quit smoking, including 470 people in the last year.

**Highlights of the Year** (continued)

***Early Help and Prevention***

Through a strong, collaborative partnership, CACT has delivered the Mental Health Early Intervention project with Kent and Medway NHS Trust for nine consecutive years, and has been commissioned to deliver the programme for a further three years. Programmes focus on engaging young people diagnosed with psychosis into a range of positive activities ranging from sports to the arts.

***Equality, Diversity and Inclusion***

CACT held the first ever Charlton v Homophobia football tournament at The Valley to raise awareness of discrimination toward the lesbian, gay, bisexual, and transgender (LGBT) community, which was attended by over 400 people.

The trustees, who are directors for the purposes of company law are pleased to present their statutory report together with the financial statements of the South of England Foundation for the year ended 31 March 2017.

The report has been prepared in accordance with the Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 - 38 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Governance, Structure and Management**

The South of England Foundation is incorporated as a company limited by guarantee and registered as a charity. The charity is registered with the Charity Commission under the working name of Charlton Athletic Community Trust (CACT). The governing document is the Memorandum and Articles of Association.

### ***Subsidiary Companies***

The charity has two trading subsidiary companies, South of England Foundation (Community Facilities) Limited (CFL) and Community Scheme Solutions Limited (CSSL). CFL was established to develop an artificial training pitch under the Barclays Spaces for Sport scheme during 2006. It also undertakes other projects relating to the development and on-going use of sporting facilities for the use of the community.

In the opinion of the trustees, the current activities of CFL fall within the charitable objects of the charity itself and therefore the activities of the group are all regarded as charitable activities in the report which follows and the financial statements which accompany it.

CSSL was active between 2007 and 2009 running the "Football in the Community Scheme", formerly run by Charlton Athletic Football Club until these activities were transferred to the Trust itself. It is now dormant.

### ***Trustees***

The charity has a board of eight trustees. The board is conscious of the need to have an appropriate skills mix to ensure trustees can contribute fully to the charity's continued development and trustees keep this under constant review. Prospective trustees are asked to meet with the Chair and the CEO to discuss the role and their ability to contribute to the charity. His or her CV is sent to other trustees and the nomination voted on at a trustees' meeting.

## **Governance, Structure and Management** (continued)

### **Trustees** *(continued)*

No new trustees were appointed and there have been no resignations since the start of the reporting period. The following trustees served since 1 April 2016:

- |                     |                |
|---------------------|----------------|
| ♦ Luke Ashworth     | ♦ Ken Palmer   |
| ♦ Peter Cousins FCA | ♦ Paul Statham |
| ♦ Paul Elliott CBE  | ♦ Marilyn Toft |
| ♦ Roger Godsiff MP  | ♦ David White  |

Declaration of interest forms are completed by all trustees annually and interests are declared and minuted before board and sub-committee meetings. Trustees are DBS checked on appointment and this is renewed at three yearly intervals.

Marilyn Toft is paid by CACT as an education consultant for work in addition to and distinct from her duties as a trustee. Such payment is allowed under the Articles of Association and her contract is reviewed annually by trustees. Details of payments are included in the notes to the financial statements which accompany this report. No other trustee received any payment during the period.

The charity has insurance to protect it from any loss arising from the neglect or defaults of its trustees and employees and to indemnify the trustees and directors against the consequences of any neglect or default on their part. Due to the value of some contracts delivered by CACT, indemnity liability cover was increased from £1m to £5m. The insurance premium was £2,498 (2016 – £1,060).

### **Sub-committees**

CACT has three sub-committees: Finance and Personnel, Marketing and Education. An annual calendar of meetings is agreed alongside a schedule of key discussion topics for the board and sub-committees which all meet quarterly.

Membership of the Finance and Personnel sub-committee comprises three trustees; Peter Cousins (Chair), Luke Ashworth and Paul Statham. Jason Morgan (Chief Executive), Mark Gregory (Director of Finance and Support Services) and Kathy Smart (Head of Governance and Support Services) provide the necessary input to the meetings.

Membership of the Marketing sub-committee comprises three trustees Paul Statham (Chair), David White and Marilyn Toft. Jason Morgan (Chief Executive) and James King (Press and Marketing Officer) provide the necessary input to the meetings.

Membership of the Education sub-committee comprises two trustees, Marilyn Toft (Chair) and Ken Palmer. Jason Morgan (Chief Executive) and Dr Alan Sanders (Director of Education, Sport and Health) provide the necessary input to the meetings.



## **Governance, Structure and Management** (continued)

### ***Ambassadors***

Paul Dunn MBE and Steve Sutherland are Ambassadors appointed in recognition of their outstanding contribution and consistent support of CACT's work. Ambassadors act as advocates for CACT programmes and initiatives and use their expertise to assist the continued growth, development and success of community programmes.

Dave Berry, TV and radio presenter and supporter of CACT's community work, is the Ambassador for the Greenwich Youth Service.

Andy Barrow, British Paralympian is CACT's Disability and Mental Health Ambassador. Andy works with CACT staff and delivers mentoring programmes to help raise young people's self-esteem.

Martin Simons, a former Chair of the Charlton Athletic Football Club, was appointed as an Ambassador for Equality and Diversity. This was in recognition of his continued work and commitment to the Charlton Athletic Race Equality (CARE) Partnership since it was established in 1992 which now sits under the Equality and Diversity team within CACT.

Sir Maurice Hatter is CACT's Honorary Life President in recognition of his continued support. The Hatter Foundation has supported CACT with a number of generous donations over the years.

A former director of Charlton Athletic Football Club, Lord Grade of Yarmouth CBE, is Honorary Vice President of CACT.

### ***Key Management Personnel***

In November 2016, there was a change to the senior management structure following the resignation of Matt Parish, Chief Operating Officer (COO), an employee for over 19 years. The COO responsibilities were divided between the Chief Executive Officer (CEO), the Director of Youth and Inclusion, the Director of Education, Sport and Health and the Director of Finance and Support Services. Trustees and the executive team are responsible for the strategic direction, control and operation of the charity.

The executive team comprises:

- ♦ Jason Morgan MBE Chief Executive Officer
- ♦ Mark Gregory Director of Finance and Support Services
- ♦ Marc Leckie Director of Youth and Inclusion
- ♦ Dr Alan Sanders Director of Education, Sport and Health

The remuneration of the executive team is set by the trustees, who have regard to pay levels for equivalent staff in similar organisations. The trustees receive no remuneration with respect to their role as trustees.

## **Governance, Structure and Management** (continued)

### ***Charlton Athletic Football Club***

CACT is Charlton Athletic Football Club's (CAFC) charitable arm and operates via a Trade Mark Licence Agreement to use the club's name and badge. CACT's head office is situated at the club's training ground in Sparrows Lane in South East London, recognising the strong association and responsibility between the football club and community in delivering activities within the local area.

### ***Other Partners***

CACT works with several other partners and agencies in the public, private and charitable sectors. This includes local authorities, (Royal Borough of Greenwich, Bexley and Kent County Councils) the Police, NHS Trusts, National Citizenship Service, Football Foundation, English Football League, Professional Football Association, schools, colleges and universities as well as local and national businesses.

A multi-agency collaborative approach ensures that the expertise of other organisations plays an integral role in delivering a high quality range of projects.

Within political circles it is recognised that powerful messages can be delivered through football, sport and positive role models. CACT continues to deliver initiatives around local needs.

### ***Sources of Funding***

CACT is predominantly funded from three main sources:

- ◆ grants - through funding applications and bids
- ◆ public funding - through local government commissioning
- ◆ private funding - through sponsorships and donations

CACT continued to work with local businesses and in 2014 secured a two year front-of-kit sponsorship with ITRM, a locally based IT service provider. CACT was delighted that ITRM extended their sponsorship for a further two years in April 2016.

Eight other local business and organisations joined CACT's Patrons Scheme. Each patron supports a specific area of CACT's work that gives them access to volunteering opportunities across all programmes.

### **Patrons**

- |                           |                               |
|---------------------------|-------------------------------|
| ◆ Taylor Technology       | ◆ Regular Cleaning Services   |
| ◆ Hadlow College          | ◆ The O2                      |
| ◆ University of Greenwich | ◆ Whitecode Design Associates |
| ◆ Delaware North          |                               |

Funding from sponsorships and patrons' subscriptions secured £125,000 during the accounting period. Trustees and the executive would like to thank patrons and sponsors for their continued valued commitment and support.

### **Principal Aims and Objects**

CACT's legal objects are to promote any charitable purpose for the general benefit of the community, and in particular those living and working in the London Boroughs of Greenwich and Bexley and other parts of South East England.

CACT's aims and objectives are encapsulated in its Vision, Mission and Values which continue to be embedded throughout the charity.

### **Vision**

"Using the power of football, we will enable individuals to improve their lives and the communities they live in."

### **Values**

- |               |               |
|---------------|---------------|
| ◆ Respect     | ◆ Commitment  |
| ◆ Trust       | ◆ Integrity   |
| ◆ Inclusivity | ◆ Empowerment |
| ◆ Equality    | ◆ Passion     |

### **Mission Statement**

"Through values and delivery of quality programmes in South East London and Kent, Charlton Athletic Community Trust will:

- ◆ Improve equality and inclusion
- ◆ Reduce health inequalities
- ◆ Increase access to sport & physical activity for all members of the community
- ◆ Increase opportunities for all members of the community to access education, employment & training
- ◆ Raise educational achievement
- ◆ Enable individuals to participate in social action activities
- ◆ Reduce crime and improve community cohesion
- ◆ Continue to be a self-financing, viable charity embedded within the ethos of Charlton Athletic Football Club."

### **Key Achievements and Performance**

From April 2016, CACT has implemented the objectives of the 2016 -2019 three year business plan. Objectives are monitored through the action monitoring plan that is presented and discussed quarterly at trustees' meetings.

A key objective in the business plan was the development of a new website; in March 2017 CACT's new website, funded by CAFC was launched. Designed to be more user-friendly and engaging, the website provides a communication platform for delivering key messages to targeted audiences. Alongside other social media channels, improved communication will promote the breadth of CACT's range of programmes. In addition, a bespoke fundraising CRM system has been incorporated to support CACT's planned fundraising activities.

CACT continued to work in partnership with CAFC on the development of an education, health and sporting hub at the CAFC training ground in Sparrows Lane, to provide facilities to increase community participation in physical activities.

The refurbishment of CACT's head office was completed in May 2017, and work on the extension to provide education, health, and changing room facilities is due for completion by the end of October 2017.

Permission was granted by the Football Foundation for the relocation of CACT's community 3G astroturf pitch (currently located on the CAFC training ground), to the Footscray Rugby Club site, adjacent to CACT's refurbished office and new community facilities. The work is being funded by CAFC as part of the major training ground redevelopment programme and the new astroturf pitch facility is due for completion by the end of October 2017.

CACT has agreed security of tenure through 25 year lease agreements relating to the 3G community astroturf pitch, rights of access, parking rights, and occupancy of the building. Once work has been completed, CACT will pay rent to CAFC and costs for utilities.

In order to enhance CACT's ability to measure the impact of programmes, CACT invested in a monitoring and evaluation system, Onside-Pro, which was rolled out across all programmes in April 2016. This has enabled CACT to automate data capture, and monitor and evaluate the information provided across all activities.

### **Public Benefit and Achievement**

When setting the objectives and planning the work of the charity for the year, the trustees have considered the Charity Commission's general guidance on public benefit.

The trustees consider that the rest of this report demonstrates many aspects of the public benefit which the charity provides. The fact that CACT engages with thousands of young people every week, works in partnership with several agencies on a wide range of activities, demonstrates benefit to the communities in which CACT operates.

CACT's principal areas of work are:

- ◆ Youth Services
- ◆ Social Action and Enterprise
- ◆ Football and Sports Development
- ◆ Education
- ◆ Health Improvement
- ◆ Early Help and Prevention
- ◆ Equality, Diversity and Inclusion

Monitoring, evaluating and developing ways to measure social impact has been a priority for CACT and a monitoring and evaluation strategy was developed. Part of this was to produce a report to illustrate the social impact of CACT's programmes. In order to achieve this, social impact surveys were conducted across all programmes from August 2015 to September 2016, and results analysed. Recognised mathematical formulae were used to predict the level of social impact created by specific social situations, and to ensure that the results could be fully validated.

From the findings, the net annual social benefit to society of CACT activities totalled over £31m. This equates to a social return of £6 - £7 for each £1 invested. Within the Impact Report, social impact is broken down under the seven key areas of CACT's work as listed above. By September 2017, an academic report and brochure will be published and available at [www.cact.org.uk](http://www.cact.org.uk).

This annual report highlights some of the key aspects of programmes delivered during the year including impact, achievements and performance; five case studies are included to help illustrate this.

### **Youth Services**

Expenditure on Youth Services was £1,136,000 (2016 - £1,477,000).

In 2012-13 CACT was commissioned by the Royal Borough of Greenwich to deliver the Council's universal youth service including the disability youth service for three years. After meeting and often exceeding targets, CACT was re-commissioned to deliver the services for a further three and a half years from October 2015 to 31 March 2018.

The Youth Service is a universal and open-access for young people aged 10 – 19 years old, (up to 25 for young people with disabilities), living or going to school within the Royal Borough of Greenwich.

**Public Benefit and Achievement** (continued)

**Youth Services** *(continued)*

A diverse range of activities and projects are delivered from four main youth hubs in Greenwich: Avery Hill, Valley Central, Woolwich Common and Hawksmoor and satellite venues (including schools and sports courts) to ensure accessibility across Greenwich. Activities include sport, arts and craft, cookery, youth clubs, as well as more specific programmes targeted at young people, such as one-to-one mentoring, employment and education programmes, homework classes and disability specific sessions/trips.

In 2016/17 CACT again successfully achieved all targets including increasing female participation to 45%.

A new Youth Service website, "Young Greenwich" was launched in conjunction with CACT's new website to further improve communication with target audiences and increase participation to activities: [www.young-greenwich.org.uk](http://www.young-greenwich.org.uk)

The Youth Service also provides opportunities for young people to gain nationally recognised awards, qualifications and accreditations, such as the Duke of Edinburgh Award.

A "Young Leaders" programme has been developed to provide opportunities for young people to gain essential life skills and a pathway to employment.

During the reporting period, 70 young people successfully completed the Duke of Edinburgh Bronze Award, two completed the Silver Award and 18 are on target to complete the Silver Award by May 2017. Six young people committed to the Gold Award and two youth workers are undertaking training that will enable them to deliver the award, which will reduce costs and make it more accessible to a wider range of young people.

In light of the increase in knife and gang related crime both nationally and locally, a workshop focused on street violence and conflict resolution was arranged at the Woolwich Common Youth Hub. Margaret and Barry Mizen were invited to lead the workshop, where they relayed the tragic circumstances of how their 16-year-old son, Jimmy, lost his life to youth violence. In addition, CAFC first team players, Jordan Botaka and Brandon Hanlan shared their personal experiences of how street violence had affected their lives.

Over 40 young people listened intently and contributed to an interesting debate. At the end of the session, a number of young people confided in youth workers about personal issues associated with gang related crime, which shows how successful the workshop was in raising awareness. Staff are providing on-going support for the young people alongside relevant partner agencies.

This workshop was part of the English Football League (EFL) 'Community Day of Action', which saw 72 clubs showcase examples of some of the excellent, ground-breaking work that is being undertaken in local communities by football clubs.

The following case study provides another example illustrating the positive impact of the youth service:

## Public Benefit and Achievement (continued)

### Youth Services (continued)

#### Case Study

DM started a Health and Social Care course at college, aged 16. She struggled with the change in approach to learning from school to college and soon lost motivation, self-belief, and direction and as the system could not offer her the support she needed at a difficult time. DM was at risk of dropping out of education and training.

The only people DM felt she was able to talk to were the CACT youth workers that she had built strong relationships with over the years she had attended the Hawksmoor youth hub, in Thamesmead.

The youth workers listened to DM and identified where support was required. DM was given one-to-one support, encouragement and importantly access to study space with IT resources that allowed her to complete coursework at the youth hub.

The youth workers helped DM plan and improve time management, which enabled her to complete work within deadlines and still ensure she had leisure time. DM also volunteered to help on outings and helped to delivered art workshops at Hawksmoor, which improved her self-confidence and self-esteem considerably.

With support, guidance and practical help, DM achieved her qualification in Health and Social Care, started another course and then went on to secure a paid apprenticeship placement.

DM still attends Hawksmoor and said, *"Without the support, help and encouragement of the youth workers here, I may not have completed my course or got on my apprenticeship."*

#### Social Action and Enterprise

Expenditure on Social Action and Enterprise was £598,000 (2016 - £499,000).

Social Action and Enterprise encompasses both the National Citizen Service programme and Enterprise. Since January 2017, CACT has worked to establish a comprehensive Enterprise programme across Greenwich, Bexley, and Kent. The programme enables young people to develop enterprising and entrepreneurial skills that support and improve chances of employment and self-employment.

#### National Citizen Service

The National Citizen Service (NCS) provides opportunities for young people aged 15-17 to embark on a range of exciting challenges, build skills for life, and make a positive impact in local communities. CACT has continued to work as a delivery partner for CXK and since April 2016, 481 young people have joined, and 460 have completed the programme - a 95.6% retention rate. CACT supports young people to deliver approximately 14,000 hours of voluntary work through social action projects whilst developing important life and employability skills. One NCS graduate, out of one hundred young people was selected nationally from over 1,500 applicants to join the NCS Leaders Academy. After completing the Leaders Programme, the young person accompanied the Director of Marketing at NCS to BBC Broadcasting House in London, was interviewed on live radio and participated in an interesting debate on the subject of the merits and disadvantages of parents checking their children's mobile phones and social media feeds, from research conducted by NCS.

**Public Benefit and Achievement** (continued)

***Social Action and Enterprise*** (continued)

*National Citizenship Service* (continued)

Between January and March 2017, CACT delivered 62 recruitment events in 47 schools across Dartford, Gravesend, Sevenoaks, Tunbridge Wells, and Tonbridge, engaging with 7,757 young people, raising awareness of CACT and recruiting students for the NCS summer programme.

*Enterprise*

CACT secured funding from the Premier League to deliver enterprise activities of £30,000 a year for three years. In January 2017, a full-time Enterprise Officer was appointed to develop and deliver the programme.

An Enterprise programme was subsequently delivered in St Paul's Academy, Corelli College, St Matthew's Academy and Bexleyheath Academy, which included either a trip to The Valley to understand the commercial side of the football club, or a visit to the University of Greenwich to gain an insight into Higher Education. From January to March 2017, 85 young people participated in the programme.

***Football and Sports Development***

Expenditure on Football and Sports Development was £1,282,000 (2016 - £1,207,000).

Football and Sports Development encompasses a wide range of activities including Toddler Soccer, Charlton Challenge, multi-sports programmes, targeted sports and activities programmes, Saturday morning clubs, breakfast and after-school clubs, coaching during school time to cover planning, preparation and assessment (PPA) time in schools, Post 16 football and educational academies, advanced centres and coach education across Greenwich, Bexley, Bromley and Kent.

CACT's Advanced programme was delivered to 170 boys in total, from two centres. The programme provides exit routes for talented players into the Advanced Centres. These are for boys aged 6 – 15, recommended by CACT coaches from football courses and sports development initiatives. To date the programme has produced 26 professional footballers in the last ten years; the latest is Danny McNamara who received a three-year contract with a professional championship football club.

CACT delivered a variety of coach education programmes including the Football Association (FA) Level 1 and Level 2 qualifications. The courses equip students with qualifications and essential skills including safeguarding and first aid, which enhance employability skills. This programme links to the traineeship programmes also delivered by CACT, to help young people prepare for the world of work, with support for CV writing, interview skills and work placements.

CACT delivered the FA Level 1 in Belmarsh Prison, a category "A" prison in Thamesmead; 60 inmates started the coaching course and 90% successfully achieved the qualification.



## Public Benefit and Achievement (continued)

### *Football and Sports Development (continued)*

CACT has worked with the L & Q Housing Association since 2012, delivering sports and creative arts holiday programmes for residents in Greenwich and Bexley. The project known as "One Goal", engages young people, aged 5 – 21 into positive activities to improve social, and emotional wellbeing and future prospects. The key objective is to provide a safe environment to enable young people to raise their levels of self-confidence, self-esteem, awareness of opportunities in their local area, communication skills, and team working.

"One Goal", introduced and led by CACT is delivered in conjunction with eight London football clubs - Millwall, Crystal Palace, Chelsea, West Ham, Tottenham, Leyton Orient, QPR and Fulham.

In 2016/17 over 11,500 young people, aged 5 – 21 engaged in activities, which led to 8 young people undertaking apprenticeship programmes, 28 engaging in traineeships, 30 completing work experience placements and 43 young people gaining the Football Association Level 1 coaching qualification.

In November 2016, the "One Goal" project won the L&Q "Creating Places Community Project of the Year".

London Mayor, Sadiq Khan gave his seal of approval and said, *"London is world-renowned for its sport and culture. As Mayor, I am committed to helping young people lead healthier, more active lifestyles, so I am proud to see this successful partnership between some of the capital's biggest football clubs and a valued housing partner continue for another year. I'm confident it will inspire even more young Londoners to get active and creative during their summer holidays."*

In addition, during October half term, AFC defender Jason Pearce joined young people on the One Goal programme in Woolwich, and was so impressed he agreed to become Player Ambassador for the programme. Jason said, *"I am really proud to support such a vital and far-reaching programme. I can't wait to see what One Goal has in store as it goes from strength to strength in 2017"*.

CACT delivered Kick into Education, a numeracy and literacy programme in 18 schools in Bexley and Greenwich, working with 180 children who were underachieving in these subjects and needed additional support. The programme is funded by L&Q and the following case study illustrates the positive impact:

## Public Benefit and Achievement (continued)

### Football and Sports Development (continued)

#### Case Study

BA a 10-year-old boy, with a reading age of 7, from a traveller background had been excluded from three schools before starting in year 6, at a primary school in Thamesmead. BA's lack of attendance, behaviour and social engagement with other children was a cause of concern. The school however were aware that BA's main interest was football and he regularly turned up to take part in the football club.

Due to BA's interest in football, the head teacher discussed programmes with CACT that could be used to engage BA and improve his attendance.

"Kick into Education", a numeracy and literacy programme, developed by CACT delivers the national curriculum via a range of football-based resources. The programme helps children who find numeracy and literacy difficult by using football as the tool to boost their confidence and skills in these subjects. It was important to ensure that it did not appear that BA was being rewarded for non-attendance and poor behaviour by attending Kick into Education, so small groups of children took part in the weekly sessions.

BA gradually became more confident with numeracy and literacy and particularly spelling. The class teacher noticed a difference in his attitude towards class work and an improvement in his general behaviour. He looked forward to the sessions and developed a "can do" approach to the challenges set. There was improved attendance generally that was particularly linked to the days when Kick into Education was delivered.

The Head Teacher said, *"Charlton Athletic Community Trust have been in the school delivering this programme for around 3 months now and we have noticed a marked difference with all the children who have participated, but in particular BA has come a long way, showing major improvement in attendance, being more focused in the classroom and a completely different attitude towards learning"*.

#### Education

Expenditure on Education was £683,000 (2016 - £923,000).

The focus of CACT's Education strand is based on offering young people a range of opportunities particularly those who are not reaching or who have struggled to reach their full potential through mainstream education. These programmes are divided between pre-16 alternative provision and post-16 further education.

#### Alternative Provision

Expenditure on Education during the financial year was £179,000 down on budget due to a number of unforeseen and unavoidable circumstances.

These included the unexpected closure of the Charlton Alternative Provision (CAP) in September 2016 because the Department for Education (DfE) informed trustees that CACT, in providing the educational facility needed to be registered as a school, even though it was only a part-time provision. CACT ensured that suitable provision was found for all the students after the CAP closed.

## **Public Benefit and Achievement** (continued)

### ***Education*** (continued)

#### *Alternative Provision* (continued)

For alternative provision, there was a significant change in strategic direction during 2016/17. This was due in part to the closure of the CAP but in addition it was decided that it would be more beneficial for the young people and CACT to work in a number of schools on-site, rather than running specific off-site pupil referral units. The new model provided:

- ◆ less financial and reputational risk to CACT;
- ◆ a more effective model for students, targeting those students who need guidance to get back on track, rather than those with complex issues; and
- ◆ better engagement with more schools.

The largest programme within alternative provision other than the CAP was the Birchwood Pupil Referral Unit (or Marsh Arc) in Folkestone. CACT also ran alternative provision in Folkestone Academy and New Line Learning Academy in Maidstone.

#### *Further Education*

Expenditure on Further Education was down due to the long-term absence and subsequent departure of CACT's lead member of staff.

Further Education progress was limited to traineeships in partnership with CACT's Football and Sports Development. As with alternative provision there is a new strategy for further education, based upon using the space currently leased by London South East Colleges (LSEC) at The Valley, and the new classroom that is being built at the training ground. The core provision will mainly target employability, sport and enterprise courses for 16-19 year olds, with the majority of the funding from LSEC. In addition, there will also be courses related to health improvement that will complement CACT's health provision.

#### *Higher Education*

Two key successes have been with CACT's Higher Education provision in partnership with the University of Greenwich. A Foundation Degree (FdA) in Community Sport has been approved and will be delivered from September 2017.

The two-year Foundation Degree is aimed at individuals with a passion for sport, as participants or coaches, who wish to pursue a career in Community sport. There will be opportunities for a variety of different placement experiences with CACT. Work based placements will give students a full understanding of the working within a professional environment together with employability skills.

In addition, in partnership with the University of Greenwich an appointment for a PhD post researching female participation in community led activities has been made, which will start in September 2017.

## Public Benefit and Achievement (continued)

### *Education (continued)*

The following case study highlights the positive outcome for one young person who attended alternative provision in Kent:

#### **Case Study**

FL arrived at one of the Kent Alternative Provision programmes, (AP) with a particularly poor record of attendance and attainment at previous schools, which started at the end of his primary education. Attendance in year 6 was below 75%, attendance for years 7-9 was 48%, and his attendance for year 10, which prompted the referral to CACT's AP, was just 18%.

FL was heavily involved in the use of cannabis and during his second induction meeting, (after walking out within three minutes of the first), he announced that he did not want to attend the provision and if he did, he would be late, under the influence of drugs or slip away during the day.

Although challenging, after a number of weeks, FL began to adapt to life at the AP and realised that negative behaviour was unacceptable however positive behaviour was rewarded. Gradually FL's attendance and concentration improved.

FL accepted drug counselling and importantly bought in to it and began to lead a drug free life.

With intensive support by the time FL left the provision his annual attendance had reached 87% and he achieved 8 GCSE's, C- G grades; something that he, his family, his previous school and CACT staff were all extremely proud of.

A CACT tutor who worked closely with FL said, *"I bumped in to FL in town and he happily took time out from his friends to chat to me. He told me how well his apprenticeship is progressing and bar a couple of social events, where he admitted to giving into peer pressure, he was still drug free and now intended to stay that way".*

### **Health Improvement**

Expenditure on Health Improvement was £790,000 (2016 - £853,000).

CACT is commissioned by the Royal Borough of Greenwich to deliver a variety of programmes designed to tackle social isolation, promote physical activity and healthy lifestyles within the community. The work is underpinned by a specialist Health Improvement Call Centre, which operates as a single point of access for the stakeholders of the Borough.

A Health Advisory Board comprising representatives from CACT and "Thought Leaders" in the field of public health has been established. The board meets quarterly, oversees the development and sustainability of CACT's Health Improvement Programme and ensures that Information Governance requirements are met.

## Public Benefit and Achievement (continued)

### Health Improvement (continued)

Programmes delivered by the Health Improvement team include:

- ◆ Campaigns, Community Outreach and Roadshows
- ◆ Kick the Habit
- ◆ Smoke Screen
- ◆ Peer Education for Healthy Living
- ◆ CACT Youth Health
- ◆ Greenwich Get Active
- ◆ Tier 2 Weight Management
- ◆ Healthy Walks
- ◆ Stay Warm, Stay Safe
- ◆ Men's Health
- ◆ In the Zone
- ◆ Health Checks for 40-74 year olds
- ◆ National Diabetes Prevention
- ◆ Joint Pain Advice Clinics
- ◆ Lifestyle checks (delivered in pubs and the community venues)
- ◆ Healthy Cooking Clubs

CACT's specialist Health Improvement team provide behaviour-change support that includes support with social activities and friendship, help to quit smoking, increase physical activity, eat healthier, provide support for mental health issues and support on welfare rights, benefits checks, fuel-poverty advice, finance and debt advice. The telephone and support contact centre plays an important role in the future for the social prescribing agenda for Greenwich, working with GPs and pharmacists to find new ways to support clients. For example, instead of prescribing medication for depression, the GP will refer clients to CACT's services to seek support on how to get active, through the successful "Greenwich Get Active" programme which can have a dramatic effect on a person's mood and wellbeing.

CACT's Healthy Walks Coordinator takes responsibility for the development and delivery of a range of walking initiatives in Greenwich, including led walks and increasing independent walking and active travel. In partnership with a number of organisations including Cruse Bereavement Care, Recovery College, ALD Group, the Maritime Museum and midwives from the Queen Elizabeth Hospital CACT delivered 17 healthy walks with 475 walkers and 40 volunteer Walk Leaders.

A walker on the Cruse Bereavement walk said, *"Thanks a lot for letting me attend the walk today. It was inspiring and uplifting to be with such a nice group of people, who were friendly, honest and open. First time I chatted like that in weeks. Ironical when we are all talking about our losses to feel so positive talking to strangers. Cannot thank you enough."*

The Health Improvement Community Engagement Team made contact with over 60,000 residents in Greenwich and the telephone and support contact centre offered advice and support to over 8,000 clients.

This was the 11<sup>th</sup> anniversary year of the "Kick the Habit" smoking cessation programme that to date has supported 2,422 people to quit smoking, including 470 people in the last year.

The Men's Health programme, developed to challenge social isolation and promote healthy lifestyles also grew in popularity and a new men's weight management programme (aptly called Football Fans in Training) and Walking Football was introduced which proved very popular; 51 clients are registered with the Walking Football programme and 86 clients have attended the weight management programme.

## Public Benefit and Achievement (continued)

### *Health Improvement (continued)*

The following case study further illustrates the positive impact of Greenwich Get Active activities:

#### **Case Study**

JJ decided to sign up to Greenwich Get Active (GGA) after finding out about the service from the nurse at his doctor's surgery.

Through CACT's health team advisors, he was made aware of the advantages that came with healthy living and encouraged to get involved. He started to walk regularly – starting with two-mile walks around Greenwich Park and often clocking up 13 miles in a week – as well as taking swimming lessons, suggested by the advisors.

These activities, along with eating more healthily, saw him lose two and a half stone in two months. Saying how he 'loved every aspect of it' – the satisfaction of feeling and looking healthier was enough reason to keep him motivated.

JJ is now a lot more mobile and said, *"I used to have problems putting my socks on in the morning, but now that is gone and I can reach the floor with ease. I can also now run for the bus, something which would never have been possible before!"*

Feeling the benefits himself, JJ went out of his way to get others on board, encouraging others because of his great progress. Since he found it very simple to sign up, he wanted to make as many people as possible aware of the programme.

In his body, he looks healthier, and in his mind, he feels better, knowing he now has more control over his own life with a healthy, controlled diet, and an active lifestyle.

### **Early Help and Prevention**

Expenditure on Early Help and Prevention was £889,000 (£645,000).

CACT's Early Help and Prevention programme aims to increase the wellbeing and resilience of local communities by offering opportunities for young people and adults at risk of exclusion from mainstream society to participate in a wide range of activities that are tailored to their needs, as well as providing them with support in relation to targeted issues.

The mental health programme largely focuses on providing positive activities for people with mental health issues. 1 in 4 people are expected to have a period of mental illness within their lifetime, CACT recognise that sport, leisure, art and social and cultural activities can play a huge role in a person's recovery process.

Through a strong, collaborative partnership with Kent and Medway NHS and Partnership Trust, CACT has successfully delivered the Kent Mental Health Early Intervention programme for nine consecutive years, and was delighted to be commissioned to deliver the programme for a further three years.

The Oxleas Early Intervention project for young people continued into its fourth year.

**Public Benefit and Achievement** (continued)

***Early Help and Prevention*** (continued)

Following successful delivery of this programme, CACT was asked by Oxleas NHS Foundation Trust to develop a programme to work with older people. A 12-week pilot programme was delivered that targeted the most isolated elderly groups aged from 65-91, and those with a clinical mental health diagnosis. The following key statistics highlight the positive impact of the pilot programme:

- ◆ 66% of group members demonstrated improvement on the mental wellbeing rating scale;
- ◆ Over 90% of attendees completed the programme; and
- ◆ Over 80% reported reduced feelings of anxiety and stress while taking part in the pilot.

CACT has now been commissioned by Oxleas to deliver this project, called "Up and At Em" for the next three years in the London Boroughs of Bexley, Greenwich and Bromley.

CACT also delivers the Greenwich Disabled Youth Service as part of the youth service provision. The programme works with children and young people aged 10-25 with a range of disabilities and includes weekly sessions and summer holiday programmes, including residential short-breaks. The programme runs nine sessions per week attended by over 70 disabled young people.

CACT runs a number of disability programmes including the Charlton Upbeats, Charlton's Down's syndrome team.

The Charlton Upbeats is a programme for children and adults with Down's syndrome and has become a firm favourite with the CAFC fans. Over 170 young people are registered with

the Upbeats and there are 40 regular attendees every week. The programme specialises in providing a progressive and safe environment for players of all ages to reach their full potential. It provides a clear pathway from young players who are learning the basic skills in the game up to senior competitive football.

A third successful Charlton Upbeats fundraising day took place in April 2017. Over 200 people participated in a nine-mile sponsored walk from the training ground to The Valley, which raised over £20,000 in the process.

In addition to the weekly training sessions, matches and tournaments, two young men from the Upbeats programme have undertaken work placements with CACT that have proved successful as the following case study shows:

## Public Benefit and Achievement (continued)

### Early Help and Prevention (continued)

#### Case Study

BB and WE have attended the Upbeats programme since it started in 2008 when they were aged 12 and 13, respectively. They have come a long way and are now in their second year of the Personal Pathway Progression Course at Bromley College and work placement with CACT. They work one day a week with the Early Help and Prevention Team, based at CACT's head office.

It was the first time BB and WE had ever been in a work environment, which initially presented a range of challenges, however with support and mentoring, both young men made considerable progress that has been recognised by the college. They have learnt how to act appropriately in the workplace and actively undertake a range of duties from basic admin tasks, pitch maintenance, to support with delivery on other programmes including the Early Intervention (mental health programme) and the older people's "Up and At Em" projects.

The Head of Early Intervention said, *"It has been hugely rewarding for myself and other members of the team to see the progression of BB and WE in terms of their contribution to CACT and their readiness to learn, and now being able to cope well in a working environment. They have improved massively over the last year and also engage brilliantly with participants on our various projects and have become fondly thought of by all. Our aim is to get to a point where they are ready to undertake paid work in other work environments or potentially with us here at CACT".*

BB added, *"I enjoy working at CACT, being with the staff and doing any task that needs doing. Staff all treat me well and I've made some new friends here too."*

#### Equality, Diversity and Inclusion

Expenditure on Equality, Diversity and Inclusion was £109,000 (2016 - £134,000).

Equality and Diversity is an integral part of CACT's activities and permeates across all programmes and aims to:

- ◆ Tackle inequality and discrimination;
- ◆ Promote social inclusion;
- ◆ Build community cohesion; and
- ◆ Work with disadvantaged communities and under-represented groups.

Primary Matters is an education programme delivered by CACT in schools. A series of interactive Equality and Diversity seminars were delivered in fifteen Greenwich schools which culminated with over 500 pupils taking part in seminars at The Valley. The theme was "All Different, All Special, All Together". The sessions were specifically designed to sensitively explore themes relating to living in diverse communities.



## Public Benefit and Achievement (continued)

### *Equality, Diversity and Inclusion (continued)*

A participant said, *"I was a bit worried at first but then I really liked working with children from other schools. I feel like now I know them a bit. If I saw them again I would say hello"*.

A key feature of the seminar also included a Q & A session with CAFC first team players, the current CAFC women's captain and other representatives from equalities organisations; the panel reflected gender and ethnic diversity.

The first ever Charlton v Homophobia football tournament was held at The Valley in May 2016. The aim of the event was to raise awareness of discrimination toward the lesbian, gay, bisexual and transgender (LGBT) community. Over 400 people attended the event, with Clive Efford, local MP, presenting the prizes at the end.

Four teams took part in the competition with the eventual winner being a team from the University of Greenwich. The event was organised in partnership with The Proud Valliants, Charlton's LGBT Supporters group, Kick it Out, Fans for Diversity and Bexley Invicta FC. CAFC and CACT are delighted to now be supporting Bexley Invicta, a 'gay friendly' football club which now participates in regular football sessions at the training ground.

CACT has developed a unique Equality and Diversity training programme that incorporates a targeted section on the importance and use of language for staff. It is specifically designed to build confidence and respect when communicating with people and groups from varied backgrounds. The training focuses on Equality and Diversity and the Equality Act 2010; feedback from all sessions was extremely positive and more sessions will be delivered to a wider audience during 2017.

CACT is working in partnership with Oxford University and the London School of Economics on a research project looking at the relationship between crime and ethnicity. This is an important study that is looking to identify why some groups are more represented in the criminal justice system than others.

Working in partnership with the University of Greenwich and Kick it Out, this research will evaluate the implementation of the Voluntary Recruitment Code (VRC) in the English Football League in 2016-17. The VRC is the English version of the 2003 US National Football League's (NFL) 'Rooney Rule'. It aims to promote greater representation of black and minority ethnic (BME) people in senior positions in football clubs. The current proportion of BME managers remains very low and is an acknowledged concern. The research will identify barriers to effectiveness, lessons from successful practice and the potential business and human resource of drawing on a more diverse pool of managerial talent.

Each year CACT celebrates work to promote social integration and build community cohesion in Greenwich, with an event at a CAFC home match called "Red White and Black Day". It is an opportunity to use the platform of a professional game to raise awareness of equality and diversity and in 2016 this was celebrated again, under the theme of "Gender Equality".

The day included a CARE Advisory Group networking event, with the Imam from Greenwich Islamic Centre, representatives from Woolwich Barracks and the Metropolitan Police and representatives from other local community groups and voluntary sector organisations.

### **Financial Report for the Period**

Income increased from £5.5m in the previous financial year to £7.0m in the year to 31 March 2017. The increase reflects a legacy donation of £1.5m from a former trustee. Total income from charitable activities was essentially unchanged compared with the year before, with higher income from youth services and early help and prevention activities offsetting lower income from Education, Football and Sports Development programmes.

Total expenditure decreased slightly from £5.8m in the 2015/16 financial year to £5.6m this year. This is mainly attributable to youth services, due to restructuring costs in 2015/16 and Education, reflecting the lower level of activities in 2016/17 compared with the year before.

Restricted funds totalled £710,000 at the end of the financial year, which is £82,000 lower than the year before, primarily reflecting lower balances on Health Improvement funds.

Designated funds increased from £62,000 last year to £1.6m at 31 March 2017. This has been made possible by a legacy received from a former trustee which includes a £1.5m development fund, set aside by the trustees to support and develop CACT's programmes through capital infrastructure improvements and investment in key operational activities.

Free reserves at the end of the year totalled £500,000, which is virtually the same as last year.

### **Reserves**

Trustees constantly monitor free reserves and review CACT's reserves policy every year. The existing policy is to maintain reserves so as to meet a certain number of months' expenditure based on annual expenditure of around £5m and the trustees have determined that free reserves in the range of between one and three months' expenditure should be maintained. As at 31 March 2017 free reserves stood at £500,000. This is equivalent to 1.1 months' of expenditure which is at the lower end of the agreed range. In an increasingly uncertain funding environment the trustees would like to gradually increase reserves.

Free reserves are stated before deduction of a £315,000 pension reserve to cover CACT's share of the Royal Borough of Greenwich Pension Fund, in respect of employees who were transferred to CACT in 2012 under a TUPE arrangement. The liability is based on a full actuarial valuation of the fund's assets and liabilities as at 31 March 2016, updated for changes in demographic and financial assumptions since that date which will be covered by future operational income.

### **Risk Management**

The trustees are responsible for overseeing the identification and management of significant risks. Risks are identified, assessed and mitigation actions put in place throughout the year. All significant risks are recorded in a register and the likelihood and impact of each is quantified. The risk register is formally reviewed by trustees on a quarterly basis, the last review taking place in June 2017. The most significant risks are:

- ◆ Potential inability to cover core costs with unrestricted income;
- ◆ Other organisations deliver programmes currently offered by the Trust; and
- ◆ Reputational damage associated with safeguarding or data protection issues.

**Risk Management** (continued)

The impact of the inability to cover core costs would be possible redundancies, as central expenditure would need to be reduced to match unrestricted income. The risk is mitigated by including all costs associated with delivery in funding bids. In addition, the trustees and executive team are working on a programme of fundraising schemes and sponsorship opportunities that would generate unrestricted income to offset core costs.

Other organisations delivering programmes that are now offered by CACT would also potentially result in redundancies and the loss of key staff to other organisations. The risk is mitigated by a focus on quality and cost-effectiveness in the delivery of programmes.

The trustees are satisfied that all necessary steps are being taken to mitigate exposure to risks and manage them appropriately.

**Events Since Year End**

The trustees are satisfied that there have been no events since the year-end that have had a significant effect on the charity's financial position.

**Future Plans**

CACT will continue to work in partnership with CAFC on the next phase of the training ground redevelopment project. This will include the completion of the education, health and changing room facilities and also the relocation of the community astro turf pitch, due for completion by October 2017.

CACT celebrates its 25<sup>th</sup> Anniversary in 2017/18 and CAFC, its return to The Valley. A number of events are being planned through an independent planning committee, chaired by Sir Stuart Etherington.

Following an audit of CACT's IT support, because of increased demands due to growth and development of CACT, a new comprehensive IT support package has been put in place from 1 July 2017.

CACT will appoint a qualified teacher who will take up post in September 2017. This post will lead on education and establish study centres to deliver vocational and work-based courses (Levels 1-3), particularly to young people looking for pathways into employment, and develop an 11-16 curriculum.

CACT will continue to review policies and procedures and keep them up-to-date and in line with changes in legislation and Charity Commission guidance. This will include implementation of recommendations from the recently issued Governance Code and implementation of the General Data Protection Regulations (GDPR) effective from 25 May 2018.

**Future Plans** (continued)

Due to the increasingly competitive nature of funding across the third sector including movement towards payment by results with associated higher risks, trustees agreed that additional ways to secure unrestricted income were required in order to maintain the required reserve level and allow for continued development. An independent fundraising consultant was commissioned to develop a fundraising strategy. Trustees approved the strategy and a financial commitment of £90,000 to appoint a Head of Fundraising and Development and an additional officer post. The Head of Fundraising and Development has taken up her post in May 2017 and has begun to implement the strategy. She will ensure compliance with the latest code of practice set out by the Fundraising Regulator.

CACT will re-apply for the Investors in People (IIP) accreditation by December 2017, and work to achieve the PQASSO quality assurance accreditation by April 2018.

**Statement of Trustees' Responsibilities**

The trustees (who are also directors of South of England Foundation for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and

**Statement of Trustees' Responsibilities** (continued)

- ♦ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

**Thanks**

The trustees would like to place on record their thanks to all CACT's ambassadors, patrons, partners, funders, employees and volunteers without whom none of its excellent work could be done.

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the trustees on: 6 September 2017

**Independent Auditor's Report to the Members and Trustees of South of England Foundation**

We have audited the financial statements of the South of England Foundation for the year ended 31 March 2017 which comprise the consolidated and parent charitable company statements of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework, that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity, the charity's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Trustees and Auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of trustees' responsibilities in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on Financial Statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the groups' and the parent charitable company's affairs as at 31 March 2017 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other Matters Prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements and the trustees' report has been prepared in accordance with applicable legal requirements.

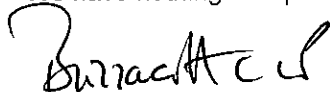
**Matters on Which We are Required to Report by Exception**

In light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

The Companies Act 2006 requires us to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.



Edward Finch, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP,  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

29/9/17

## Consolidated Statement of Financial Activities Year to 31 March 2017

		Unrestricted funds		Restricted funds		Total funds 2017	Total funds 2016
	Notes	General funds £'000	Designated funds £'000	Revenue projects £'000	Capital development £'000	£'000	£'000
<b>Income:</b>							
Donations and legacies	1	1,702	—	636	—	2,338	784
Income from charitable activities	2	3,612	—	996	—	4,608	4,683
Income from other trading activities	3	10	—	—	—	10	45
Investment income		—	—	—	—	—	1
<b>Total income</b>		<b>5,324</b>	<b>—</b>	<b>1,632</b>	<b>—</b>	<b>6,956</b>	<b>5,513</b>
<b>Expenditure:</b>							
Cost of raising funds	4	87	—	—	—	87	87
Expenditure on charitable activities	5						
. Youth Services		1,080	1	55	—	1,136	1,477
. Social Action and Enterprise		589	1	8	—	598	499
. Football and Sports Development		1,151	4	104	23	1,282	1,207
. Education		654	1	28	—	683	923
. Health Improvement		136	1	645	8	790	853
. Early Help and Prevention		133	7	749	—	889	645
. Equality, Diversity and Inclusion		20	—	89	—	109	134
		<b>3,763</b>	<b>15</b>	<b>1,678</b>	<b>31</b>	<b>5,487</b>	<b>5,738</b>
<b>Total expenditure</b>		<b>3,850</b>	<b>15</b>	<b>1,678</b>	<b>31</b>	<b>5,574</b>	<b>5,825</b>
<b>Net income (expenditure) before transfers</b>	7	<b>1,474</b>	<b>(15)</b>	<b>(46)</b>	<b>(31)</b>	<b>1,382</b>	<b>(312)</b>
<b>Transfers between funds</b>	14	<b>(1,509)</b>	<b>1,514</b>	<b>(10)</b>	<b>5</b>	<b>—</b>	<b>—</b>
<b>Net income (expenditure) for the year</b>		<b>(35)</b>	<b>1,499</b>	<b>(56)</b>	<b>(26)</b>	<b>1,382</b>	<b>(312)</b>
<b>Other recognised gains and losses</b>							
Actuarial (losses) gains on pension scheme	16	(174)	—	—	—	(174)	180
<b>Net movement in funds</b>		<b>(209)</b>	<b>1,499</b>	<b>(56)</b>	<b>(26)</b>	<b>1,208</b>	<b>(132)</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward at 1 April 2016		394	62	416	376	1,248	1,380
Fund balances carried forward at 31 March 2017		185	1,561	360	350	2,456	1,248

All of the group's activities in the above two financial periods were derived from continuing operations.

There were no recognised gains and losses other than those set out in the consolidated statement of financial activities above.



# Charity Statement of Financial Activities Year to 31 March 2017

	Unrestricted funds		Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
	General funds £'000	Designated funds £'000			
<b>Income:</b>					
Donations and legacies	1,702	—	636	2,338	794
Income from charitable activities	3,612	—	996	4,608	4,683
Income from other trading activities	4	—	—	4	14
Investment income	—	—	—	—	1
<b>Total income</b>	<b>5,318</b>	<b>—</b>	<b>1,632</b>	<b>6,950</b>	<b>5,492</b>
<b>Expenditure:</b>					
Cost of raising funds	87	—	—	87	87
Expenditure on charitable activities	3,756	13	1,687	5,456	5,691
<b>Total expenditure</b>	<b>3,843</b>	<b>13</b>	<b>1,687</b>	<b>5,543</b>	<b>5,778</b>
<b>Net income (expenditure) before transfers</b>	<b>1,475</b>	<b>(13)</b>	<b>(55)</b>	<b>1,407</b>	<b>(286)</b>
<b>Transfers between funds</b>	<b>(1,509)</b>	<b>1,514</b>	<b>(5)</b>	<b>—</b>	<b>—</b>
<b>Net income (expenditure) for the year</b>	<b>(34)</b>	<b>1,501</b>	<b>(60)</b>	<b>1,407</b>	<b>(286)</b>
<b>Other recognised gains and losses</b>					
Actuarial (losses) gains on pension scheme	(174)	—	—	(174)	180
<b>Net movement in funds</b>	<b>(208)</b>	<b>1,501</b>	<b>(60)</b>	<b>1,233</b>	<b>(106)</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April 2016	391	24	430	845	951
Fund balances carried forward at 31 March 2017	183	1,525	370	2,078	845

All of the charity's activities in the above two financial periods were derived from continuing operations.

There were no recognised gains and losses other than those set out in the statement of financial activities above.

# Group and Charity Balance Sheets 31 March 2017

	Notes	Group 31 March 2017 £'000	Group 31 March 2016 £'000	Charity 31 March 2017 £'000	Charity 31 March 2016 £'000
<b>Fixed assets:</b>					
Tangible fixed assets	10	397	438	21	37
Investments	11	—	—	—	—
<b>Total fixed assets</b>		<b>397</b>	<b>438</b>	<b>21</b>	<b>37</b>
<b>Current assets:</b>					
Debtors due within one year	12	2,327	1,012	2,333	984
Cash at bank and in hand		1,065	842	1,046	835
<b>Total current assets</b>		<b>3,393</b>	<b>1,854</b>	<b>3,379</b>	<b>1,819</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(1,018)	(925)	(1,007)	(892)
<b>Net current assets</b>		<b>2,375</b>	<b>929</b>	<b>2,372</b>	<b>927</b>
<b>Total net assets excluding pension liability</b>		<b>2,771</b>	<b>1,367</b>	<b>2,393</b>	<b>964</b>
<b>Net pension liability</b>		<b>(315)</b>	<b>(119)</b>	<b>(315)</b>	<b>(119)</b>
<b>Total net assets</b>		<b>2,456</b>	<b>1,248</b>	<b>2,078</b>	<b>845</b>
<b>The funds of the charity:</b>					
Restricted funds	14				
· Relating to fixed assets		350	376	10	13
· Other		360	416	360	417
		<b>710</b>	<b>792</b>	<b>370</b>	<b>430</b>
Designated funds	15				
· Fixed asset fund		47	62	11	24
· Development fund		1,514	—	1,514	—
		<b>1,561</b>	<b>62</b>	<b>1,525</b>	<b>24</b>
Unrestricted funds					
· General fund		500	513	498	510
· Pension reserve	16	(315)	(119)	(315)	(119)
		<b>185</b>	<b>394</b>	<b>183</b>	<b>391</b>
		<b>2,456</b>	<b>1,248</b>	<b>2,078</b>	<b>845</b>

Approved by the trustees of South of England Foundation, Company Registration Number 04654582 (England and Wales) and signed on their behalf by:



Trustee

Approved on: 6 September 2017

# Consolidated Statement of Cash Flows Year to 31 March 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	228	(71)
<b>Cash flows from investing activities:</b>			
Interest received		—	1
Purchase of tangible fixed assets		(5)	(12)
<b>Net cash used in investing activities</b>		<b>(5)</b>	<b>(11)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>223</b>	<b>(82)</b>
<b>Cash and cash equivalents at 1 April 2016</b>	B	<b>842</b>	<b>924</b>
<b>Cash and cash equivalents at 31 March 2017</b>	B	<b>1,065</b>	<b>842</b>

Notes to the consolidated statement of cash flows for the year to 31 March 2016.

## A Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
<b>Net income (expenditure) as per the statement of financial activities</b>	<b>1,382</b>	<b>(312)</b>
<b>Adjustments for:</b>		
Depreciation charge	46	56
FRS 102 pension charge	22	138
Interest received	—	(1)
Increase in debtors	(1,315)	(60)
Increase in creditors	93	108
<b>Net cash provided by (used in) operating activities</b>	<b>228</b>	<b>(71)</b>

## B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,065	842
<b>Total cash and cash equivalents</b>	<b>1,065</b>	<b>842</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### **Basis of Preparation**

These accounts have been prepared for the year to 31 March 2017.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

### **Critical Accounting Estimates and Areas of Judgement**

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ determining whether any impairment of the artificial training pitch is needed. The charity's existing artificial pitch is due to be replaced by a new pitch on Footscray Rugby Club land in Autumn 2017 at no capital cost to the charity. The Trustees do not consider the existing asset to be impaired because the value of the replacement pitch will be at least equal to the book value of the existing facility at the CAFC Training Ground;
- ◆ determining the value of legacy assets due to the charity at the balance sheet date. Where these consist of listed investments held by the executor they have been recognised at their value at the balance sheet date; subsequent movements in value will be recognised in future periods when the investments are sold and the proceeds transferred to the charity;
- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ reviewing the assumptions used to calculate pension liability.

### **Assessment of Going Concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

**Assessment of Going Concern** (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**Basis of Consolidation**

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the charity with those of its subsidiaries, South of England Foundation (Community Facilities) Limited and Community Scheme Solutions Limited. Where necessary the amounts consolidated in respect of the subsidiary companies are restated to ensure consistency of group accounting policies.

Although publication of the statement of financial activities for the charity alone may be dispensed with under exemptions in the Charity SORP and Companies Act rules, a separate statement of financial activities for the charity is presented as the trustees considered it adds useful information to the financial statements, although supporting notes to the charity's own statement of financial activities are not considered necessary.

**Income Recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. In cases where, in line with funding agreements, income is received in advance of the period to which it relates, this is shown as deferred income in the accounts.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably

**Income Recognition** (continued)

measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income from charitable activities includes contracts to deliver services, football course fees and income from the school based activities. The income is generally recognised when the charity is entitled to receipt, and is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the funder has specified that the income is to be expended in a future accounting period.

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 paid or payable by the bank.

Gifts in kind donated to the charitable company for its own use are included in income and resources expended at their market value as at the time of the gift.

**Expenditure Recognition**

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Cost of raising funds is that portion of salary costs representing time expended in building partnerships and developing future projects, together with direct costs associated with that activity.
- ◆ Expenditure on charitable activities represent expenditure incurred directly, payments to partner organisations for the delivery of the charity's programmes of activity and support costs in operating the charity.
- ◆ Support costs represent indirect charitable expenditure which is necessary in order to carry out the primary purposes of the charity, and comprises personnel development, financial procedures, provision of office services and equipment and a suitable working environment. The costs are allocated to each charitable activity in proportion to the usage of these resources by each activity, as shown in note 5.
- ◆ Governance costs are those which are directly attributable to the management of the charity's assets, and the necessary legal procedures for compliance with statutory requirements. The costs are allocated to each charitable activity heading on the most appropriate basis as shown in note 5.

### **Tangible Fixed Assets**

Tangible fixed assets costing over £5,000 are capitalised and are stated at cost and depreciated over their expected useful life. Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

◆ Artificial training pitch	Over the life of its lease, which is 25 years
◆ Other sports facilities	4% on cost
◆ Machinery and office equipment	25% on cost
◆ Motor vehicles	25% on cost

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### **Short Term Deposits**

Short term deposits comprise monies held in deposits with maturity periods of more than 24 hours.

### **Cash at Bank and In Hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand.

### **Creditors and Provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund Accounting**

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. The funds represented by tangible fixed assets are treated as designated funds.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Funds retained in the trading subsidiaries which have been generated through undertaking activity that falls within the charity's objects, and which is intended for application within the objects, are treated in the group balance sheet as charitable funds, either restricted or unrestricted.

**Fund Accounting** (continued)

Capital contributions received towards the cost of construction or acquisition of tangible fixed assets which are subject to on-going restrictive obligations are treated as restricted funds and reduced by charges of depreciation through the statement of financial activities over the estimated useful life of the asset.

**Pension Costs**

Employees who were transferred to the charity under TUPE arrangements to deliver the Council's youth service provision are members of a defined benefit pension scheme administered by the Royal Borough of Greenwich. The charity became a participating employer during 2013 and as a result the charity's share of the underlying assets and liabilities of the scheme, which accrues from this date, are included in the financial statements. The charity's share of the Scheme's assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period. Other movements are credited or debited to the statement of financial activities.



**1 Donations**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Donations	17	46	63	56
Legacy	1,514	—	1,514	—
Income from Patrons	121	4	125	118
Grants	50	586	636	610
<b>2017 Total funds</b>	<b>1,702</b>	<b>636</b>	<b>2,338</b>	<b>784</b>
2016 Total funds	177	607	784	

The largest grants received in the year were £115,000 from the Royal Borough of Greenwich for the "Short Breaks" disability programme, £55,500 from the Royal Borough of Greenwich for the CARE Equality and Diversity programme and £60,000 for the Premier League "Kicks" social inclusion programme.

The charity benefitted from a legacy donation of £1.5 million from a former trustee. The Trustees intend to use this income to support and develop CACT's programmes, through capital infrastructure improvements and investment in key operational activities.

Various professional services were received during the year as gifts in kind. However, due to the nature of services provided it is not possible to place a value on those services and therefore they have not been included in these financial statements.

**2 Income from Charitable Activities**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Service delivery	2,101	981	3,082	2,950
Greenwich Youth Service	1,116	—	1,116	1,209
Fees from the delivery of projects	378	1	379	481
Other charitable Income	17	14	31	43
<b>2017 Total funds</b>	<b>3,612</b>	<b>996</b>	<b>4,608</b>	<b>4,683</b>
2016 Total funds	3,844	839	4,683	

The largest amounts of service delivery income are £608,600 for the National Citizens Service youth programme, £553,600 from the Royal Borough of Greenwich for health improvement services, and £372,100 from L&Q housing for the "One Goal" football and sports development programme.

Fees from the delivery of projects is the aggregate of a large number of smaller programmes, primarily related to football and sports development.

**3 Income from other Trading Activities**

	Unrestricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Fundraising events	2	2	14
Other trading income	8	8	31
<b>2017 Total funds</b>	<b>10</b>	<b>10</b>	<b>45</b>
2016 Total funds	45	45	

**4 Cost of Raising Funds**

	Unrestricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Staff costs (note 8)	80	80	80
Other costs	7	7	7
<b>2017 Total funds</b>	<b>87</b>	<b>87</b>	<b>87</b>
2016 Total funds	87	87	

**5 Expenditure on Charitable Activities**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Youth services	1,081	55	1,136	1,477
Social Action and Enterprise	590	8	598	499
Football and Sports Development	1,155	127	1,282	1,207
Education	655	28	683	923
Health Improvement	137	653	790	853
Early Help and Prevention	140	749	889	645
Equality, Diversity & Inclusion	20	89	109	134
<b>2017 Total funds</b>	<b>3,778</b>	<b>1,709</b>	<b>5,487</b>	<b>5,738</b>
2016 Total funds	4,207	1,531	5,738	

The above costs can be reanalysed as follows:

	Total funds 2017 £'000	Total funds 2016 £'000
Direct staff costs (note 8)	2,728	3,036
Other direct costs	2,094	2,106
Support costs (notes 6)	665	596
	<b>5,487</b>	<b>5,738</b>

**6 Support Costs**

Charitable activities expenditure shown note 5 above include the following support costs:

	Staff costs (note 8) £'000	Governance costs £'000	Other support costs £'000	Total funds 2017 £'000	Total funds 2016 £'000
Youth services	97	6	36	139	145
Social action and enterprise	51	3	21	75	49
Football and sports development	110	7	43	160	127
Education	59	4	23	86	96
Health improvement	62	4	25	91	95
Early help and prevention	70	4	27	101	69
Equality and diversity	9	1	3	13	15
<b>2017 Total funds</b>	<b>458</b>	<b>29</b>	<b>178</b>	<b>665</b>	<b>596</b>

The above governance costs can be reanalysed as follows:

	Total funds 2017 £'000	Total funds 2016 £'000
Staff costs (note 8)	12	12
Legal and professional fees	3	2
Auditor's remuneration	11	14
Other costs	2	1
	<b>29</b>	<b>29</b>

**7 Net Expenditure for the Year**

This is stated after charging:

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
Staff costs (note 8)	2,182	1,096	3,278	3,621
Operating lease rentals	17	17	34	23
Auditor's remuneration				
· Statutory audit services – charity	9	—	9	9
· Statutory audit services – subsidiary	3	—	3	3
· Other services	2	—	2	2
Depreciation	16	30	46	56

## 8 Employees and Staff Costs

Staff costs during the period were as follows:	2017 £'000	2016 £'000
Wages and salaries	2,940	3,168
Social security costs	255	243
Pension costs	45	61
FRS 102 pension charge	22	124
Other staff related costs	16	25
	<b>3,278</b>	<b>3,621</b>

2016 staff costs include £76,000 separation costs in relation to the restructuring of the Greenwich Youth Service provision in December 2016.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the trustees and executive team. The day-to-day management of activities is the responsibility of the executive team, which comprises the Chief Executive Officer, Director of Youth and Social Inclusion, Director of Education Sport and Health, and Director of Finance and Support Services. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £396,197 (2016 - £419,835).

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2017	2016
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£90,001 - £100,000	—	1
£110,001 - £120,000	1	1
	<b>4</b>	<b>5</b>

Payments to defined contribution pension arrangements in the year amounted to £8,285 (2016 - £5,435) in respect of the above employees.

Staff costs have been charged as follows:	2017 £'000	2016 £'000
Cost of generating funds (note 4)	80	80
Charitable activities (note 5)	2,728	3,036
Support costs (note 6)	458	493
Governance costs (note 6)	12	12
	<b>3,278</b>	<b>3,621</b>

**8 Employees and Staff Costs** (continued)

The average number of employees during the period was as follows:

	Full-time	Part-time	Total 2017	Total 2016
Cost of generating funds	1	—	1	1
Charitable activities	71	121	192	218
	72	121	193	219
2016	76	143	219	

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify the directors or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £2,498 (2016 - £1,148) and provides cover of up to a maximum of £5m (2016 - £1m).

As explained in the trustees' report, during the year Marilyn Toft was paid £600 (2016 - £2,400) plus VAT for services rendered as a consultant. These fees were paid in accordance with the Articles of Association and approved by the trustees, and have been accounted for as expenditure on charitable educational activities.

No other trustee received any remuneration or any reimbursed expenses from the charity during the period (2016 – none).

**9 Taxation**

South of England Foundation is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiaries make a Gift Aid payment to the charity if they produce a taxable profit in any financial period.

**10 Fixed Assets**

Group	Artificial training pitch £'000	Other sports facilities £'000	Machinery and office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2016	569	60	63	156	848
Additions	—	—	5	—	5
At 31 March 2017	569	60	68	156	853
<b>Depreciation</b>					
At 1 April 2016	207	21	46	136	410
Charge for year	22	3	7	14	46
At 31 March 2017	229	24	53	150	456
<b>Net book value</b>					
At 31 March 2017	340	36	15	6	397
At 31 March 2016	362	39	17	20	438

## 10 Fixed Assets (continued)

Charity	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 2016	57	156	213
Additions	5	—	5
At 31 March 2017	62	156	218
<b>Depreciation</b>			
At 1 April 2016	40	136	176
Charge for year	7	14	21
At 31 March 2017	47	150	197
<b>Net book value</b>			
At 31 March 2017	15	6	21
At 31 March 2016	17	20	37

## 11 Investments

The charity owns the entire issued share capital of Community Scheme Solutions Limited, formerly known as South of England Foundation (Trading) Limited, a company registered in England. The company remained dormant throughout the period.

The charity owns the entire issued share capital of South of England Foundation (Community Facilities) Limited, a company registered in England.

The following is a summary of the financial statements of South of England Foundation (Community Facilities) Limited for the year ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £'000	2016 £'000
Turnover	43	97
Cost of sales	(61)	(106)
Gross loss	(18)	(9)
Amount released from deferred capital grants	25	25
Administrative expenses	(6)	(6)
Profit for the year before gift aid	1	10
Gift aid	(1)	(10)
Profit for the financial year	—	—
Retained profit at 1 April 2016	2	2
Retained profit at 31 March 2017	2	2
Called up share capital	—	—
Net assets at 31 March 2017	2	2

## 12 Debtors

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Amounts due from subsidiaries	—	—	51	7
Prepayments	206	164	205	162
Trade debtors	521	730	476	698
Legacies receivable	1434	—	1434	—
Other debtors	6	3	7	3
Accrued income	160	115	160	114
	<b>2,327</b>	<b>1,012</b>	<b>2,333</b>	<b>984</b>

## 13 Creditors: amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Expense creditors	284	190	279	173
Social security and other taxes	89	85	87	84
Accruals	147	131	143	116
Deferred income	426	444	426	444
Wages and salaries	72	75	72	75
	<b>1,018</b>	<b>925</b>	<b>1,007</b>	<b>892</b>

Deferred income reflects income that has already been received at the balance sheet date, in line with contractual payment terms, in respect of services that will be delivered in the following financial year.

**14 Restricted Funds**

The income funds of the charity included restricted funds comprising the following to be applied for specific purposes:

Group	At 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 31 March 2017 £'000
<b>Youth Services funds</b>					
Bexley Commissioning	4	40	(44)	—	—
Bexley Targeted Youth Sessions	—	14	(11)	—	3
Bexley Youth Activity Sessions	—	25	—	—	25
Orbit Housing	4	79	(55)	—	28
<b>Social Action and Enterprise funds</b>					
Premier League Continuous Improvement	—	25	—	—	25
Premier League Enterprise	—	15	(8)	—	7
Vitol Foundation	—	12	—	—	12
	—	52	(8)	—	44
<b>Football and Sports Development funds</b>					
Advance Centre	1	13	(12)	—	2
Bursary Fund	5	2	(2)	—	5
Women's and Girls	(1)	6	(6)	—	(1)
Bexley Family Fitness	27	5	(32)	—	—
Football League Ferrero	3	22	(25)	—	—
Premier League Schools	7	24	(21)	—	10
Football League Women's	—	3	(3)	—	—
Premier League Women's	—	3	(3)	—	—
London Sportivate	—	3	—	—	3
	42	81	(104)	—	19
<b>Education funds</b>					
Employment & Skills Bexley Volunteering	—	(11)	1	10	—
Employment Mobility	19	—	(19)	—	—
Flexible Support Fund	8	1	(9)	—	—
	27	(10)	(27)	10	—
<b>Health Improvement funds</b>					
Kick the Habit - Walker	18	—	(30)	35	23
Kick the Habit	95	—	(11)	(52)	32
Health Community Outreach	—	335	(335)	—	—
Contact and Telephone Support	—	219	(231)	12	—
Oxleas Health Checks	—	43	(38)	—	5
	113	597	(645)	(5)	60



**14 Restricted Funds (continued)**

<b>Group</b>	<b>At 1 April 2016 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers between funds £'000</b>	<b>At 31 March 2017 £'000</b>
<b>Early Help and Prevention funds</b>					
Charlton Upbeats	23	42	(44)	—	21
Kent Mental Health	8	41	(44)	—	5
Inclusive United	3	5	(8)	—	—
Oxleas Mental Health	6	—	(6)	—	—
Reaching Community	4	—	(3)	—	1
Greenwich Short Breaks	53	129	(182)	—	—
Bexley Short Breaks	—	192	(177)	(15)	—
Oxleas Up and at 'em	—	40	(2)	—	38
ASD Youth Provision	34	46	(65)	—	15
Colyer Ferguson	—	54	(25)	—	29
FL Lord Mayor's Fund	—	7	(3)	—	4
Premier League Kicks	35	62	(54)	—	43
Street Violence Ruins Lives	5	31	(29)	—	7
Orbit Housing	8	4	(12)	—	—
Sportivate Kent	4	7	(11)	—	—
Charles Hayward	3	30	(12)	—	21
Children in Need	6	40	(51)	—	(5)
Awards for All	3	1	(3)	—	1
Wembley Disability	—	5	(2)	—	3
Oxleas Early Intervention	—	29	(17)	—	12
Oxleas Secure Unity	—	4	—	—	4
	195	769	(750)	(15)	199
<b>Equality, Diversity and Inclusion funds</b>					
CARE	13	64	(75)	—	2
CARE United	20	—	(14)	—	6
CARE	2	—	—	—	2
	35	64	(89)	—	10
<b>Revenue projects total funds</b>	416	1,632	(1,678)	(10)	360
<b>Relating to fixed assets</b>					
Spaces for Sports Scheme	363	—	(23)	—	340
Other fixed assets	13	—	(8)	5	10
	376	—	(31)	5	350
<b>Total restricted funds</b>	792	1,632	(1,709)	(5)	710

Transfers between restricted and unrestricted funds arise for the following reasons:

- ◆ a transfer from unrestricted to restricted funds where costs exceed the income received towards a specific project;
- ◆ a transfer from restricted to unrestricted funds when a restriction has been removed.

Deficits on restricted funds arise where expenditure on those funds is incurred in advance of income being received.

## 15 Designated Funds

The fixed asset fund represents the net book value of unrestricted tangible fixed assets and hence is not available for working capital.

The development fund represents amounts set aside by the Trustees to support and develop the Trust's programmes, through capital infrastructure improvements and investment in key operational activities.

Group	At 1 April 2016 £'000	Movement for the year £'000	At 31 March 2017 £'000
Fixed asset fund	62	(15)	47
Development fund	—	1,514	1,514
<b>Total designated funds</b>	<b>62</b>	<b>1,499</b>	<b>1,561</b>

Charity	At 1 April 2016 £'000	Movement for the year £'000	At 31 March 2017 £'000
Fixed asset fund	24	(13)	11
Development fund	—	1,514	1,514
<b>Total designated funds</b>	<b>24</b>	<b>1,501</b>	<b>1,525</b>

## 16 Pension Commitments

The Royal Borough of Greenwich pension fund is a defined benefit scheme. Contributions payable to the Scheme by Charlton Athletic Community Trust are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method.

The financial assumptions used to calculate Scheme liabilities under FRS 102 are as follows

	At 31 March 2017 % pa	At 31 March 2016 % pa
RPI increases	3.6	3.4
CPI increases	2.7	2.5
Salary increases	4.2	4.0
Pension increases	2.7	2.5
Discount rate	2.8	3.9

The mortality assumptions used were as follows:

	2017 years	2016 years
Longevity at age 65 for current pensioners		
. Men	22.5	23.8
. Women	24.6	25.0
Longevity at age 65 for future pensioners		
. Men	24.7	26.1
. Women	26.9	27.3

## 16 Pension Commitments (continued)

The assets in the Scheme were as follows:

	Value at 31 March 2017 £'000	Value at 31 March 2016 £'000
UK equities	30	13
Overseas equities	19	70
Other bonds	86	72
Property	49	45
Cash	15	7
Unitised insurance policies	128	84
UK & overseas unit trusts	157	91
Total market value of assets	484	382
Present value of Scheme liabilities	(799)	(501)
Deficit in the Scheme	(315)	(119)

Total expenditure recognised in the Statement of Financial Activities.

	2017 £'000	2016 £'000
Current service cost	38	60
Net interest cost	5	14
Liabilities assured (settlements received)	—	91
<b>Total expenditure recognised in the SOFA</b>	<b>43</b>	<b>165</b>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a loss of £104,000.

Reconciliation of opening and closing balances of the present value of the charity's share of the Scheme liabilities:

	2017 £'000	2016 £'000
Scheme liabilities at 1 April 2016	501	377
Current service cost	38	60
Interest cost	20	32
Contributions by Scheme participants	9	11
Actuarial losses (gains)	231	(182)
Liabilities assured	—	203
<b>Scheme liabilities at 31 March 2017</b>	<b>799</b>	<b>501</b>

The next actuarial valuation of the Scheme will be undertaken as at 31 March 2019 and will set contributions for the period from 1 April 2020 to 31 March 2023.

The best estimate of contributions to be paid by the employer to the Scheme for the year ending 31 March 2017 is £24,000.

**16 Pension Commitments** (continued)

Reconciliation of opening and closing balances of the fair value of the charity's share of the Scheme assets:

	2017 £'000	2016 £'000
Scheme assets at 1 April 2016	382	216
Interest on Scheme assets	15	18
Actuarial gains (losses)	57	(2)
Contributions by employer	21	27
Contributions by scheme participants	9	11
Settlement prices received	—	112
<b>Fair value of Scheme assets at 31 March 2017</b>	<b>484</b>	<b>382</b>

Movement in deficit during the year.

	2017 £'000	2016 £'000
Scheme deficit at 1 April 2016	(119)	(161)
Current service cost	(38)	(60)
Employer contributions	21	27
Net finance cost	(5)	(14)
Settlements and curtailments	—	(91)
Actuarial gains (losses)	(174)	180
<b>Scheme deficit at 31 March 2017</b>	<b>(315)</b>	<b>(119)</b>

**17 Lease Commitments*****Operating lease commitments***

At 31 March 2017 the charity had the following future minimum commitments under non-cancellable operating leases in respect of:

	Land and buildings		Office equipment	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Operating leases payments due:				
Within one year	32	17	5	5
Between one and two years	11	17	5	4
Between two and five years	—	11	7	9

**18 Connected Party Transactions**

Charlton Athletic Football Club Ltd (Charlton Athletic plc) operates a professional football club through its wholly owned subsidiary, Charlton Athletic Football Company Limited (together referred to as "Charlton Athletic"). The charity is supported by Charlton Athletic which provides office accommodation and management support. The value of this support during the financial period is not material and as such has not been quantified nor included in these financial statements.

# **18 Connected Party Transactions (continued)**

In the year to 31 March 2017 the Trust received income of £122,382 from Charlton Athletic (2016 - £46,893). A balance of £40,175 (2016 - £44,011) was due from the Club and included within debtors at the year end.

In the year to 31 March 2017 the Trust incurred expenditure of £62,482 to Charlton Athletic. A balance of £29,987 (2016 - £18,394) was due to the Club and included within creditors at the year end.

The charity has taken advantage of the exemption provided by FRS 102 from the requirement to disclose transactions with its subsidiary undertakings.

# **19 Analysis of Net Assets Between Funds**

Group	General funds £'000	Designated funds £'000	Fixed asset restricted fund £'000	Other restricted funds £'000	Total 31 March 2017 £'000
<b>Fund balances at 31 March 2017 are represented by:</b>					
Tangible fixed assets	—	47	350	—	397
Debtors	781	1,434	—	112	2,327
Cash (including short term deposits)	702	80	—	283	1,065
Creditors: amounts falling due within one year	(983)	—	—	(35)	(1,018)
Pension liability	(315)	—	—	—	(315)
<b>Total net assets</b>	<b>185</b>	<b>1,561</b>	<b>350</b>	<b>360</b>	<b>2,456</b>

Charity	General funds £'000	Designated funds £'000	Fixed asset restricted fund £'000	Other restricted funds £'000	Total 31 March 2017 £'000
<b>Fund balances at 31 March 2017 are represented by:</b>					
Tangible fixed assets	—	11	10	—	21
Debtors	809	1,434	—	90	2,333
Cash (including short term deposits)	661	80	—	305	1,046
Creditors: amounts falling due within one year	(972)	—	—	(35)	(1,007)
Pension liability	(315)	—	—	—	(315)
<b>Total net assets</b>	<b>183</b>	<b>1,525</b>	<b>10</b>	<b>360</b>	<b>2,078</b>