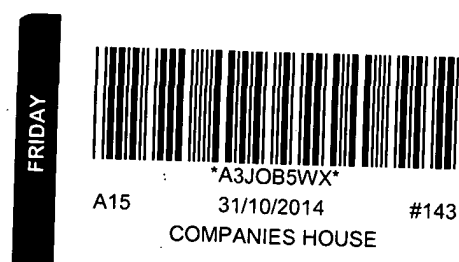


# London Voluntary Service Council

A Company Limited by Guarantee

## Report of the trustees and audited financial statements for the year ended 31 March 2014



London Voluntary Service Council  
200a Pentonville Road  
London N1 9JP

T: 020 7832 5830  
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Charity registration number: 276886  
Company registration number: 1395546



# **London Voluntary Service Council**

## **Report of the trustees and audited financial statements for the year ended 31 March 2014**

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# **London Voluntary Service Council**

## **Legal and administrative information**

Name of charity: London Voluntary Service Council

Charity registration number: 276886

Company limited by guarantee number: 1395546

Principal and registered office: 200a Pentonville Road, London N1 9JP

Charitable company's trustees and officers:

Trustees:

Paul Butler, Chair

Jennifer Croxford (resigned 15 August 2014)

Bob Green (from November 2013)

Andy Gregg

Mihir Patel, Treasurer (from November 2013)

Alex Whinnom

Resigned during the year:

Mary Gardiner (until 22 October 2013)

Chief Executive Officer and senior staff members to whom day-to-day management of the charitable company is delegated by the trustees:

Eithne Rynne, Chief Executive and Company Secretary

Alison Blackwood, Head of Policy & Knowledge (until September 2013)

Deborah Gold, Interim Head of Policy & Knowledge (from September 2013)

Banker: Unity Trust Bank, Nine Brindleyplace, Birmingham B1 2HB

Auditor: Chantrey Vellacott DFK LLP, Russell Square House,  
10-12 Russell Square, London WC1B 5LF

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

The trustees are pleased to present their report and the audited financial statements of London Voluntary Service Council (LVSC) for the year ended 31 March 2014. These comply with statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

LVSC is a registered charity and a company limited by guarantee with a Board of Trustees that is responsible for deciding strategy, setting policies, appointing the Chief Executive and Company Secretary, approving the annual budget and accounts and approving large or long-term contracts.

The Finance Sub-Committee oversees implementation of financial controls and strategies and preparation of annual budgets and considers quarterly reviews.

The Chief Executive works with the Board of Trustees to develop and review strategic goals, annual plans and targets and maintains and develops the profile of LVSC and its members and stakeholders.

#### **Risk management**

The senior managers review LVSC's activities to identify the risks to which it is exposed, in particular in operations, finances and the external environment. The Finance Sub-Committee reviews the key strategic risks at each of its quarterly meetings. A full register of risks is presented for review yearly to the Board of Trustees, who are satisfied that the major risks to which LVSC is exposed have been reviewed and systems have been established to manage those risks.

### **OBJECTS AND VISION**

The objects for which the charitable company is established are:

- To promote any charitable purposes for the benefit of the community in Greater London, in particular the advancement of education, the furtherance of health and the relief of poverty, distress and sickness.
- To promote and organise co-operation in the achievement of these purposes between voluntary organisations, and with statutory authorities and other bodies by bringing together representatives of such bodies.

#### **Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. LVSC provides public benefit by improving the lives of Londoners through our support for voluntary and community organisations across London, training and supporting their staff and trustees, and our policy work on tackling poverty, inequality, climate change and health inequalities.

#### **Vision**

LVSC's vision is of a vibrant and sustainable city where people's lives are enhanced through voluntary and community action.

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

London's voluntary and community sector is at the heart of our work. To achieve our vision, on behalf of the London voluntary and community sector, we will:

### **1. Be a central resource for knowledge and policy for the London voluntary and community sector**

We want to:

- Be a central repository and directory for knowledge on the sector;
- Be an influential centre of policy analysis and response;
- Demonstrate the impact of the sector on the lives of Londoners.

### **2. Act as a collaborative leader for London's voluntary and community sector**

We aspire to:

- Enable and deliver a strong strategic and independent voice for the sector;
- Promote and champion the sector;
- Act as a bridge between the voluntary and community sector and other partners.

### **3. Enable the voluntary and community sector to best deliver for Londoners**

We want to:

- Equip people and organisations in the sector to serve their communities;
- Enable people and organisations in the sector to collaborate effectively;
- Share best practice across the sector.

Poverty, equality, health and climate change will be the cross-cutting themes throughout all of our work.

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

### **ACHIEVEMENTS AGAINST KEY OBJECTIVES 2013-14**

LVSC continued to focus its work on policy and capacity building. During the year we published our Big Squeeze report, ran campaigns and services to improve employment for the most disadvantaged Londoners' and worked with a number of other groups to evidence how the welfare reform changes are detrimental to Londoners. We also became part of United Way Worldwide and continue to engage with private sector companies to encourage them to become more involved in their local communities.

#### **HR support**

PEACe (LVSC's Personnel, Employment Advice and Conciliation service) has been operating as an income generating service for 3 years from April 2011 until March 2014. NCVO (National Council for Voluntary Organisations), where we are a preferred provider, and Russell-Cooke Solicitors both remain service partners. PEACe is also an approved ACEVO (Association of Chief Executives of Voluntary Organisations) provider.

At the beginning of the year we carried out a product review of the services we provide, looking at the nature of the service and the prices we charge. As a result of this we increased some of our prices alongside developing new products such as the staff handbook and manager's toolkit. Other new services include salary restructures and conflict coaching.

PEACe has begun consulting with a partner organisation with a view to developing a joint venture business model to increase the geographical reach of the service. This process has only just begun and it is anticipated it will continue to April 2015.

#### **Income Diversification Models**

LVSC have been instrumental in setting up a voluntary sector bidding company that will seek to compete with the private sector for large contracts which will then be delivered by the wider voluntary sector in London. This bidding company will enable the voluntary and community sector to tender for and deliver on a wider platform than previously because of the skills and expertise that each organisation bring to the company.

LVSC is now the local United Way in London and our aim is to significantly improve relationships between the corporate sector and the wider Voluntary and Community Sector (VCS). Being part of the United Way Worldwide network is a unique opportunity and we are promoting greater corporate sector involvement with their local communities and will provide opportunities for partnership working across London.

#### **Policy**

The work of the Policy Team at LVSC is highly regarded not just by the voluntary and community sector, but also by the public sector and funders. Overall in 2013-14 LVSC's policy and knowledge team contributed to the policy section of LVSC's monthly e-bulletin which is circulated to over 3,000 recipients. A major report on the impact of welfare reform in London was published in June 2013.

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

### **The Big Squeeze**

In September 2013 LVSC published its fifth Big Squeeze report, analysing the impact of the recession and subsequent public spending cuts on London's VCS. This year 223 organisations responded to the survey that informs the report, almost double the number than in 2011-12. The report found that although London's VCS organisations were facing significant funding cuts they were responding in innovative ways to continue to meet the needs of their users even though these needs continue to grow as further public sector cuts take hold. The impact on the advice sector is particularly evident and this in turn leads to concerns for disadvantaged Londoners as a whole. We also produced a further update to our cuts reports in November 2013.

### **Health**

LVSC continued to focus on health and reducing health inequality in 2013 -2014 as a member of Regional Voices, a strategic partner of the Department of Health, Public Health England and NHS England. We held four small events and focus groups this year. Two of these events aimed to support voluntary and community representatives on London's Health & Wellbeing Boards. We worked with Care Quality Commission to hold a focus group aimed at learning disability groups. We were also engaged with NHS England and initiated a workshop to inform the NHS complaints procedure review. The workshops and focused events were attended by approximately 100 participants.

We also held a fuel poverty, energy, climate change and public health event in December which was attended by 75 organisations. Sign up to our monthly health e-bulletins rose to over 1,100 this year. We represented the VCS on meetings with the UCL Institute of Health Equity regarding their Indicator set for the impact of the economic downturn and policy changes in health inequalities in London. Furthermore, we have been working with NHS England (London Region) supporting their patient and public voice work to help ensure co-production and engagement opportunities for London's VCS.

### **Climate Change**

Our 'Climate Change Leaders for Low Carbon London' project has been supporting London's VCS to address ways they can work to reduce or mitigate the impacts of climate change. Led by a steering group /network of experts from other VCS organisations, we offered organisations access to free eco audits, as well as sharing good practice, the benefits of reducing organisational carbon footprints and information on how to do this. In 2013-14 we produced a briefing on smart metering and the impact on Londoners.

We ran a well-received training programme with three of our project partners. Through our event and training programme we reached over 170 participants. We continued to encourage the VCS, particularly umbrella organisations, to take up the free City Bridge Trust eco audits in order to reduce their environmental impact and to cascade and share learning amongst their own members and beneficiaries. We also continue to build on our own sustainability and put in measures to reduce and monitor our carbon footprint.

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

### **London for All**

After a successful funding bid to London Councils the London for All programme was launched in April 2013. London for All is a pan-London partnership project led by LVSC in partnership with Race on the Agenda, Women's Resource Centre, HEAR (the network of London equality organisations) and Lasa. This programme aims to help voluntary and community sector organisations strengthen their capacity to deliver more accessible services to Londoners, increase knowledge and skills in a range of areas including working with the private sector and ICT and improve the effectiveness of organisations to use equality legislation. Two networks are facilitated by LVSC to support the project and promote peer learning: London Voluntary Sector Forum, which includes pan-London and cross-borough voluntary and community sector organisations; and the London CVS Directors' Network where the directors of London's Councils for Voluntary Service come together to learn from each other, share information and intelligence and discuss issues linking the local with the regional. As well as delivering a wide range of training and workshops, the programme has delivered 9 e-bulletins and briefing papers and completed 4 pieces of research.

### **London Employment & Skills Policy Network**

LVSC's work on employment and skills expanded dramatically this year with the launch of the VCS Assist capacity building project, using European Social Fund (ESF) funds matched against our Trust for London grant. The LVSC-led VCS Assist partnership (LTEN, BTEG, and Rocket Science) delivered nearly 230 days' worth of one-to-one consultancy to 73 organisations; held a range of events (policy forums, good practice workshops, and provider networking events) rated as good or excellent by 90% of the 550 attendees; as well as mentoring, regular e-bulletins and online communications, and sector representation. Meanwhile, the focus of our policy work has been on ensuring the VCS has a strong voice in shaping the 2014-2020 ESF programme in London – capitalising on our active provider network; our positive working relationship with the GLA, our representation on the LEP Skills and Employment Working Group, and establishing a new relationship with Big Lottery Fund. Trust for London have generously continued their funding for our employment and skills work for two more years (to March 2016), and GLA have invited us to extend the VCS Assist project.

### **Safer Future Communities (SFC)**

In 2013/14 the SFC Network had limited resources to develop its work plan. However, some of the key successes included organising an expert seminar for organisations interested in bidding for Transforming Rehabilitation contracts funded by Clinks. We also organised an event run by 3SC for Social Enterprises interested in the criminal justice sector. In addition, we ran a workshop for 35 people to enable organisations to make better use of their data.

We recognised the importance of ensuring specialist organisations had access to peer support and expert advice and we set up two subgroups to look at victims and offenders issues in depth. Around 20 people are members of the reducing reoffending subgroup and 40 people are members of the victims' network.

A major highlight this year was a conference on behalf of the Health in Justice Team attended by 180 people. We were delighted that over 90% of delegates said the event was good or excellent.



# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

### **Members and affiliates**

At the end of the year LVSC full membership stood at 41 (2013: 60). LVSC is in regular contact with VCOs (Voluntary and Community Organisations) and other stakeholders through its networks and bulletins. Our newsletter goes to over 3,500 organisations, our policy network has 1,500 members, our health e-bulletin is received by 1,100 organisations, and the London Employment and Skills Network has 882 members. We also have a London for All capacity building project with 983 subscribers.

### **FINANCIAL REVIEW**

During 2013-14, LVSC increased its unrestricted funds by £88,807 to a total of £292,461 at year end (2013: 203,654) – an encouraging result in the current economic climate and the second year in succession that LVSC has been able to increase them after several years of reducing balances. Of the unrestricted funds, £191,758 has been designated. Although an overall annual deficit of £46,144 was generated (2013: surplus of £129,018) this was more than accounted for by expenditure of restricted fund balances brought forward from the previous year.

Total incoming resources increased significantly over the previous year – rising from £894,940 for 2012/13 to £1,879,166 for 2013/14, an increase of 110%. To some extent 2013/14 was an exceptional year in this respect as a major part of the increase was a result of short-term contract income. Nonetheless, the growth in income does reflect continuing strong relationships with funders and delivery partners.

With the continuation of public spending cuts the implications for infrastructure organisations remains stark. Funding for support organisations is extremely limited and the reductions are having an adverse impact on the support on offer to the wider voluntary and community sector. LVSC continues to focus on innovative ways to generate income to support the delivery of LVSC's strategic priorities.

### **Reserves policy**

LVSC seeks to maintain free reserves equivalent to three months' expenditure. Based on budgeted expenditure for 2014-15, this amounts to approximately £220,000. Free reserves are considered to be those unrestricted funds that are not tied up in fixed assets and totalled £292,461 at the financial year end. LVSC therefore met its reserves target as of 31 March 2014. The trustees have designated £191,758 of those reserves for specific future use.

### **PLANS FOR THE FUTURE**

#### **Work plan 2014/15**

Our vision for London is a vibrant and robust voluntary and community sector with strong links across public and private sectors. LVSC promotes partnership working and we recognize the value this model has when delivering services to the most vulnerable communities in London. We believe that a collaborative approach is by far the most effective way of working and being the conduit for cross sector engagement remains vital for LVSC.

# **London Voluntary Service Council**

## **Report of the Trustees (incorporating a Directors' Report)**

We will continue to ensure our sector has a strong voice and that we are well positioned to represent London's VCS. We want to influence and shape national and regional policy developments, be part of the implementation process and monitor the impacts that policy changes have on London's VCS organisations and their service users. This work will continue to support LVSC's cross-cutting themes of improving health, addressing climate change, reducing inequality and tackling poverty.

Our engagement with the private sector is crucial and our aim is to improve these relationships and encourage corporate employees to be much more involved in their local communities throughout London.

Supporting our members to be as effective as possible in the delivery of their services remains a key part of our work programme and we will continue to provide a wide range of support to build capacity within the sector. We will continue to lead on various networks such as Employment & Skills; Health, London Voluntary Sector Forum and Safer Future Communities. Each of these networks have representation from expert organisations across London and provide opportunities for information dissemination, peer learning and intelligence gathering which support LVSC's work. We will continue to seek additional funding to provide this level of support to our members. In addition we will apply for Big Lottery ESF development funding for the London Region.

With a General Election coming up next May we will produce a manifesto for the sector, provide opportunities for our members to engage with senior politicians and put forward the views of the VCS.

We aim to build on the successes of our PEACe HR service and expand its use and sustainability while promoting good employment practices across London's VCS.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of the LVSC for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

# London Voluntary Service Council

## **Report of the Trustees (incorporating a Directors' Report)**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

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

### **Auditor**

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

### **Small Company Provisions**

The report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board



Paul Butler

**Chair of Trustees**

Date: 22/10/2014

## **London Voluntary Service Council**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON VOLUNTARY SERVICE COUNCIL**

We have audited the financial statements of London Voluntary Service Council for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law 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. In addition, we read all the financial and non-financial information in the Report of the Trustees (incorporating a Directors' Report) to identify material inconsistencies with the audited 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. 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 charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

## London Voluntary Service Council

- 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.

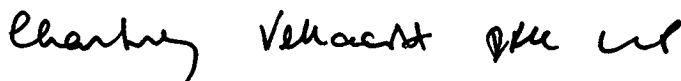
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



William Devitt (Senior Statutory Auditor)  
for and on behalf of CHANTREY VELLACOTT DFK LLP  
Chartered Accountants and Statutory Auditor

Date: 27 October 2014

# London Voluntary Service Council

## Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2014

		Restricted Funds	Unrestricted Funds	Total 2014	Total 2013
	Notes	£	£	£	£
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	153,550	1,700	<b>155,250</b>	222,856
Investment income: Interest receivable		-	1,050	<b>1,050</b>	1,849
<i>Incoming resources from charitable activities</i>	4				
Organisational support services		-	56,407	<b>56,407</b>	31,919
Networks, policy and strategy		702,366	855,210	<b>1,557,576</b>	539,886
Training and publications		-	85,219	<b>85,219</b>	86,506
Other charitable income	5	-	10,812	<b>10,812</b>	11,924
<i>Other income</i>					
Miscellaneous income		-	12,852	<b>12,852</b>	-
<b>Total incoming resources</b>		<b>855,916</b>	<b>1,023,250</b>	<b>1,879,166</b>	894,940
<b>Resources expended</b>	6				
<i>Charitable activities</i>					
Organisational support services		20,000	73,527	<b>93,527</b>	80,637
Networks, policy and Strategy		960,930	773,502	<b>1,734,432</b>	586,530
Training and publications		-	82,572	<b>82,572</b>	79,287
<i>Governance</i>		9,937	4,842	<b>14,779</b>	19,468
<b>Total resources expended</b>		<b>990,867</b>	<b>934,443</b>	<b>1,925,310</b>	765,922
Net incoming/ (outgoing) resources before transfers	7	(134,951)	88,807	<b>(46,144)</b>	129,018
Transfers		-	-	-	-
Net movement in funds		(134,951)	88,807	<b>(46,144)</b>	129,018
Total funds brought forward		175,393	203,654	<b>379,047</b>	250,029
<b>Total funds carried forward</b>		<b>40,442</b>	<b>292,461</b>	<b>332,903</b>	379,047

# London Voluntary Service Council

## Balance Sheet as at 31 March 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>	9		
Tangible assets		-	-
<b>Current assets</b>			
Debtors	10	273,711	214,505
Short term investment	11	111,530	110,863
Cash at bank and in hand		<u>153,490</u>	<u>151,845</u>
		538,731	477,213
<b>Creditors: amounts falling due within one year</b>	12	<u>(205,828)</u>	<u>(98,166)</u>
<b>Net current assets</b>		<u>332,903</u>	<u>379,047</u>
<b>Net assets</b>	14	<u>332,903</u>	<u>379,047</u>
<b>Funds</b>	13		
Restricted funds		40,442	175,393
Unrestricted funds			
General funds		100,703	128,654
Designated funds		<u>191,758</u>	<u>75,000</u>
<b>Total funds</b>		<u>332,903</u>	<u>379,047</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on **22 October 2014**

Signed on behalf of the Board



Paul Butler  
Chair

Company registration number: 1395546

The notes on pages 15 to 23 form part of the financial statements.

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 1 Accounting policies

The principal accounting policies are summarised below. The accounting policies are applied consistently throughout the year and the preceding year.

#### a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with Companies Act 2006, applicable accounting standards and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005). The following principal accounting policies have been applied:

#### b) Incoming resources

Income from grants and donations, including capital grants, is included in the Statement of Financial Activities when the charitable company is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred when the charitable company has to fulfil conditions before becoming entitled to it or where it is received for use in a future accounting period. The notes to the Statement of Financial Activities show the gross amount received together with the changes in the amount deferred. Deferred income is included in creditors.

Income received in respect of ESF (European Social Fund) projects is matched against expenditure incurred. Any unexpended balances are carried forward until the projects are completed.

Income from charitable trading activities is included in incoming resources in the period in which the activity takes place and includes income receivable for training, consultancy, conferences, commission and publication sales.

#### c) Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure items have been classified under headings that aggregate all costs related to each category. Where costs cannot be directly attributed to particular activities, they have been allocated on the basis of staff time spent on each activity.

Costs of generating funds are those arising from seeking voluntary income. They do not include the dissemination of information in support of the charitable activities.

Governance costs are those costs associated with the governance arrangements of LVSC. They include such items as external audit, training and legal advice for trustees, company secretariat and costs associated with constitutional and statutory requirements.

Support costs represent the costs of finance, human resources and facilities, general administration and management and information communications technology incurred in providing support for the operational programmes that enable the charity to meet its charitable objectives. Support costs have been allocated to the activity categories to reflect the use of central resources. Allocation is on the basis of staff time spent on each activity.



# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 1 Accounting policies (continued)

#### d) Fund accounting

The funds held by the charity are:

*Restricted funds* are funds which have been given for specific purposes and projects as specified by funders.

*Designated funds* are unrestricted funds that have been set aside at the discretion of the trustees for particular purposes.

*Unrestricted general funds* are incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds to be spent at the discretion of the trustees in furtherance of the charitable objectives of the charitable company.

#### e) Conduit funding

Where the charitable company receives grants as agents for other bodies, such transactions are shown separately and are not included in the Statement of Financial Activities.

#### f) Operating leases

Rental charges for operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

#### g) Tangible fixed assets and depreciation

All items costing less than £1,000 are written off in the year of purchase. Assets costing £1,000 and over are capitalised and included at cost, including any incidental expenses of acquisition. They are depreciated over an estimated four-year expected useful life. A full year's depreciation is charged in the first year of use of the asset.

#### h) Pension contributions

The charitable company makes contributions to a defined contribution pension scheme. Employer contributions are charged to the Statement of Financial Activities in the year in which they become payable.

### 2 Taxation

As a registered charity under the Charities Act 2011, LVSC's income from charitable activities is exempt in accordance with sections 466-493 of the Corporation Tax Act 2010.

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 3 Voluntary income

	Restricted £	Unrestricted £	2014 total £	2013 total £
City Bridge Trust	50,000	-	50,000	50,000
Trust for London	83,500	-	83,500	119,334
Esmée Fairbairn Charitable Trust	20,000	-	20,000	30,000
London Civic Forum	-	-	-	23,422
Other donations	50	1,700	1,750	100
<b>Total voluntary income</b>	<b>153,550</b>	<b>1,700</b>	<b>155,250</b>	<b>222,856</b>

### 4 Incoming resources from charitable activities

	Restricted grants £	Unrestricted grants £	Services and events £	2014 total £	2013 total £
Organisational support services	-	-	56,407	56,407	31,919
Networks, policy and strategy					
BIG Lottery Fund	127,089	-	-	127,089	227,234
London Councils	367,664	-	-	367,664	249,110
Department of Health	36,900	-	-	36,900	31,935
ESF	165,216	-	-	165,216	14,632
Home Office	5,497	-	-	5,497	3,000
Partnership income	-	8,623	-	8,623	-
Services and events	-	-	846,587	846,587	13,975
Training and publications	-	-	85,219	85,219	86,506
	<b>702,366</b>	<b>8,623</b>	<b>988,213</b>	<b>1,699,202</b>	<b>658,311</b>

### 5 Other charitable income

	Restricted £	Unrestricted £	2014 total £	2013 total £
Membership	-	3,100	3,100	4,978
Advertising, etc	-	1,123	1,123	1,190
Commission	-	5,835	5,835	5,756
Miscellaneous income	-	754	754	-
<b>Total other charitable income</b>	<b>-</b>	<b>10,812</b>	<b>10,812</b>	<b>11,924</b>

## London Voluntary Service Council

### Notes to the Financial Statements for the year ended 31 March 2014

#### 6 Resources expended

	Organisational Support Services £	Network, Policy and Strategy £	Training & Publications £	Governance £	Support costs £	2014 Total £	2013 Total £
Salaries	47,062	315,758	3,370	3,305	43,800	413,295	405,864
Redundancy and restructuring	-	-	-	-	-	-	8,422
Consultants and agency staff	9,852	111,188	-	-	-	121,040	82,525
Other staff costs	2,731	18,208	-	-	574	21,513	8,638
Premises	4,869	31,669	362	-	1,619	38,519	40,885
Depreciation	-	-	-	-	-	-	1,822
Office overheads	8,668	48,228	-	-	1,324	58,220	64,242
Workshops, training and events	17	94,151	74,095	12	-	168,275	114,438
Payments to partners	-	1,040,132	-	-	-	1,040,132	6,772
Cost of sales	11,592	492	140	-	-	12,224	7,901
Other project costs	2,152	31,268	4,605	-	766	38,791	8,239
Annual report and AGM	-	-	-	-	1,799	1,799	1,632
Audit	-	-	-	9,000	-	9,000	12,150
Trustees	-	-	-	2,414	-	2,414	692
Legal and statutory fees	-	40	-	48	-	88	1,700
	<b>86,943</b>	<b>1,691,134</b>	<b>82,572</b>	<b>14,779</b>	<b>49,882</b>	<b>1,925,310</b>	<b>765,922</b>
Support costs allocated to activities	6,584	43,298	-	-	(49,882)	-	-
<b>Total resources expended</b>	<b>93,527</b>	<b>1,734,432</b>	<b>82,572</b>	<b>14,779</b>	<b>-</b>	<b>1,925,310</b>	<b>765,922</b>

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 7 Net incoming/(outgoing) resources for the year

This is stated after:

	2014 £	2013 £
Auditor remuneration		
Current year	9,000	8,500
Prior year underestimate	-	3,650
Trustee indemnity insurance	707	505
Trustee reimbursed expenses	394	436
Depreciation	-	1,822
Operating lease rentals		
Land & buildings	36,824	38,573
Equipment	5,540	3,000

No trustee received remuneration during the year (2013: nil). Trustee reimbursed expenses represent travel and subsistence costs for 1 trustee (2013: 2) in relation to attendance at meetings of the committee.

### 8 Staff costs and numbers

	2014 £	2013 £
Salaries and wages	324,120	353,730
Social security costs	34,768	37,340
Pension costs	12,337	14,794
Contribution to pension deficit	42,070	-
Termination payments	-	8,422
	<u>413,295</u>	<u>414,286</u>

The charitable company is a member of a defined contribution pension scheme which used to have some pension guarantees. Contributions to the scheme are made by the employees and the charitable company at rates determined by the charitable company. The assets of the scheme are administered by The Pensions Trust in a fund, independent of that of the charitable company. The rate of employer pension contributions is currently 5% of earnings.

Where employees have not yet joined the scheme but will be entitled to employer contributions backdated from their subsequent joining date, a provision is made in the accounts to cover any possible liability arising from this.

The charity has a commitment to make annual payments of £43,332 (2013: £42,070) to the Pensions Trust to eliminate the pension deficit starting in April 2013 for ten years.

	2014 No.	2013 No.
Average number of employees during the year (full time equivalent)		
Organisational support services	1.0	1.1
Network, policy and strategy	6.5	7.8
Support and governance	1.1	1.1
	<u>8.6</u>	<u>10.0</u>
Number of employees earning £60,000 or more	<u>1</u>	<u>Nil</u>

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 9 Tangible fixed assets

	Computers, Other Equipment & Furniture £	Total £
<b>Cost</b>		
At 1 April 2013	73,973	73,973
Disposals	(66,688)	(66,688)
At 31 March 2014	7,285	7,285
<b>Accumulated depreciation</b>		
At 1 April 2013	73,973	73,973
Disposals	(66,688)	(66,688)
At 31 March 2014	7,285	7,285
<b>Net book value</b>		
At 31 March 2014	-	-
At 31 March 2013	-	-

### 10 Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	58,590	18,353
Grant debtors	200,037	176,862
Prepayments	9,478	5,122
Accrued income	5,606	14,150
Other debtors	-	18
	<b>273,711</b>	<b>214,505</b>

### 11 Short term investment

This is a 90-day fixed interest rate deposit held with Unity Trust Bank.

### 12 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	165,162	55,963
Tax and social security	11,813	14,302
Deferred income – fees	5,292	6,544
Other creditors	857	3,255
Pension accrual	13,704	7,602
Other accruals	9,000	10,500
	<b>205,828</b>	<b>98,166</b>

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 13 Movement in funds

	Balance at 1 Apr 2013 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Mar 2014 £
<b>Restricted funds</b>					
BIG: Transforming Local Infrastructure	112,451	127,139	(239,590)	-	-
London Councils: London for All	-	367,664	(367,664)	-	-
City Bridge Trust: Climate Change	9,961	50,000	(59,145)	-	816
Dept of Health: Health projects	9,225	36,900	(23,505)	-	22,620
Esme Fairbairn: PEACE	-	20,000	(20,000)	-	-
ESF: VCS Assist	-	165,216	(165,216)	-	-
Home Office Clinks	25,301	5,497	(25,409)	-	5,389
Trust for London					
Policy and Campaigns	8,817	28,000	(31,221)	-	5,596
Employment and Skills Network	9,638	55,500	(59,117)	-	6,021
<b>Total restricted funds</b>	<b>175,393</b>	<b>855,916</b>	<b>(990,867)</b>	<b>-</b>	<b>40,442</b>
<b>Designated Funds</b>					
Staff contingency fund	25,000	-	-	-	25,000
Equipment and leasehold fund	10,000	-	-	-	10,000
Service Dev't. / Continuity fund	-	-	-	76,758	76,758
Pension fund	40,000	-	-	40,000	80,000
	75,000	-	-	116,758	191,758
<b>General Fund</b>	<b>128,654</b>	<b>1,023,250</b>	<b>(934,443)</b>	<b>(116,758)</b>	<b>100,703</b>
<b>Total unrestricted funds</b>	<b>203,654</b>	<b>1,023,250</b>	<b>(934,443)</b>	<b>-</b>	<b>292,461</b>
<b>Total funds</b>	<b>379,047</b>	<b>1,879,166</b>	<b>(1,925,310)</b>	<b>-</b>	<b>332,903</b>

### Purposes of funds

#### Restricted funds

Balances carried forward represent the unexpended portion of grants received for the purposes indicated above. The balances will be spent in the year ahead.

#### Designated funds

Designated funds are unrestricted funds, which have been set aside as follows:

- (i) The staff contingency fund has been set aside to meet unexpected responsibilities and matters arising from staffing and employment law.
- (ii) The equipment and leasehold fund is to contribute to the replacement of office equipment and furniture and obligations under leasehold agreements.
- (iii) The service continuity fund will be used to develop the work of United Way and to explore new business opportunities for LVSC.
- (iv) The pension fund has been set aside to contribute to our ongoing responsibility to eliminate the pension deficit, as detailed in note 8.

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 14 Analysis of net assets between funds

	Restricted Funds £	Designated Funds £	Unrestricted Funds	2014 total £
Balances at 31 March 2014 are represented by :-				
Tangible fixed assets	-	-	-	-
Current assets	123,342	191,758	223,631	538,731
Current liabilities	(82,900)	-	(122,928)	(205,828)
<b>Total net assets</b>	<b>40,442</b>	<b>191,758</b>	<b>100,703</b>	<b>332,903</b>

### 15 Contingent pension liability

The charitable company contributes to The Pensions Trust Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but it used to have some pension guarantees. Following a change in legislation in September 2005, there will be a liability due from employers in the event of either ceasing to participate in the plan or the plan being wound up at a time when it is not fully funded on a buy-out basis. Following the triennial plan valuation at 30 September 2011, the Scheme Actuary now provides an annual update of the buy-out funding position of the Growth Plan. The buy-out funding position of the Growth Plan was 78.1% at 30 September 2013 compared with 77.3% as at 30 September 2011. The estimated liability on withdrawal for the Charity as at 30 September 2013 was £383,163.

The Pensions Trust has indicated that it is not possible to analyse the on-going funding deficit by individual employer as suggested by FRS17 due to the nature of the Growth Plan Scheme. Growth Plan is a multi-employer scheme where a) the scheme assets are co-mingled for investment purposes, and b) scheme benefits are paid from the total scheme assets.

There is no intention at present either to cease participation in or to wind up the Growth Plan.

### 16 Commitments

Annual commitments under lease agreements expiring:

	Premises		Equipment	
	2014	2013	2014	2013
	£	£	£	£
up to one year	9,206	7,625	-	750
within two to five years	-	-	5,540	5,540
	<b>9,206</b>	<b>7,625</b>	<b>5,540</b>	<b>6,290</b>

# London Voluntary Service Council

## Notes to the Financial Statements for the year ended 31 March 2014

### 18 Section 37 statement

LVSC received £367,664 from London Councils during the year ended 31 March 2014. The money was fully expended on the provision of the London for All project. Detail of expenditure is as follows:

	Grant £	Grant spent £
Staff costs	229,902	231,778
Beneficiary costs	82,860	80,187
Overheads	54,902	55,699
	<b>367,664</b>	<b>367,664</b>

The following table illustrates how money was allocated across the partnership and that it has been used for the purposes outlined in the funding agreement:

	Grant £	Grant spent £
Lead partner - LVSC	178,058	178,058
Delivery partner - LASA	46,237	46,237
Delivery partner - Race on the Agenda	47,118	47,118
Delivery partner - Refugees in Effective and Active Partnerships	54,751	54,751
Delivery partner - Women's Resource Centre	41,500	41,500
	<b>367,664</b>	<b>367,664</b>

### 19 Related party transactions

Race On The Agenda (ROTA) - its CEO is Andy Gregg, one of LVSC's Trustees. The amount involved is £47,118 which constitutes four payments to ROTA, the organisation, who are one of LVSC's delivery partners in the London for All commission. LVSC receives the whole grant from London Councils then pays its partners. Of the £47,118 total payable for 2013-14, £12,705 was paid after year end.

Greater Manchester Centre for Voluntary Organisation (GMCVO) - its CEO is Alex Whinnon, one of LVSC's Trustees. The amount involved is £2,000 which LVSC pays to GMCVO for support of the CiviCRM data management system. There were no outstanding payments at year end.