

**LVSC**

**London Voluntary Service Council**

(A company limited by guarantee)

**Report and Financial Statements  
For the year ended 31 March 2004**



**LVSC**  
*London Voluntary Service Council*

Charity Registration Number: 276886  
Company Registration Number: 1395546 (Cardiff)

# LONDON VOLUNTARY SERVICE COUNCIL

<b>Contents</b>	<b>Page</b>
<i>Legal and Administrative Information</i>	1
Report of the Trustees	2 – 7
Independent Auditors' Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 – 18

## London Voluntary Service Council

### Legal and Administrative Information

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#### Constitution

London Voluntary Service Council is a company limited by guarantee without share capital and is also a registered charity (registration number: 276886). LVSC is governed by its memorandum and articles of association. All Board members are elected by the members of LVSC at the Annual General Meeting or are co-opted by the Committee in accordance with the Articles of Association. A full list of members can be obtained from the Directorate.

#### Board of Trustees

Members of the Board of Trustees are the directors for the purpose of company law and the charity's trustees for purpose of charity law and throughout this report are collectively referred to as the trustees. Trustees serving during the year and to the date of this report were:

Drew Stevenson*^°, Chair	Paul Butler*~^°, Vice Chair
Linda Butcher~	Bernard Collier* (resigned December 2003)
Melanie Danan	Annmarie Dixon Barrow* (resigned March 2004))
Beth Follini	Rachel Fryatt (resigned April 2003)
Dr Gilbert Igboaka (elected March 2004)	Catherine Kidman (resigned May 2004)
Allison Ogden-Newton (elected March 2004)	Jagdish Patel
Habib Rahman	Kamal Rasul
Sharon Walker *	Noel Vallely*

\* Finance Subcommittee

~ Equal Opportunities Working Party

° Joint Negotiating and Consultative Committee

^ Staffing Subcommittee

#### Acting Chief Executive

Mark Clarke (from June 2003)

#### Chief Executive

Christina Schwabenland (to May 2003)

#### Company Secretary

Mark Clarke

#### President

Claire Rayner OBE

#### Bankers

National Westminster Bank Plc  
Tavistock Square  
London, WC1H 9HA

#### Auditors

PKF  
Farringdon Place  
20 Farringdon Road  
London EC1M 3AP

#### Registered Office

356 Holloway Road  
London, N7 6PA

## **London Voluntary Service Council**

### **Report of the Trustees**

**For the year ended 31 March 2004**

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The trustees are pleased to present their report together with LVSC's audited financial statements for the year ended 31 March 2004. The financial statements comply with current statutory requirements, the memorandum and articles of association and the requirements of the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000).

#### **Vision and Mission**

LVSC exists to promote and develop the distinctive role of the voluntary sector in London in achieving a more just, inclusive and sustainable society.

LVSC aims to achieve its vision through:

- Promoting voluntary sector led solutions to social issues of concern to Londoners;
- Assessing the impact of voluntary sector contributions in achieving social change; by using that knowledge to provide services that increase the effectiveness of the sector;
- Providing strategic direction for the voluntary sector in London;
- Working with others in delivering our vision.

#### **Governance and organisation**

Board members who served during the year and up to the date of this report along with the committees on which they serve are shown in the legal and administrative information set out on page 1, which forms part of this report. The Board of Trustees comprises up to 18 members who meet quarterly to administer the charity and who spend an additional full day meeting to review strategy, performance and the corporate objectives and operating plans for the year ahead. The board has sub-committees which meet to look at finance, equal opportunities and staffing issues. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. The Trustees and Chief Executive are supported by a Management Team. The organisation comprises the Information, Services and Strategy departments which are supported internally by Finance, Central Services and the Directorate.

#### **Appointment of Chief Executive**

Mark Clarke assumed the role of Acting Chief Executive in June 2003 after the departure of Christina Schwabenland who held the post for the previous eighteen months. The Board took a decision to postpone recruitment of the new Chief Executive pending a fundamental review of LVSC's strategic objectives. A new Chief Executive, Elizabeth Balgobin, has been appointed and will take up the position on 20 September 2004.

#### **Liability of members**

The charity is a company limited by guarantee without share capital. The memorandum of association provides that every member, as defined by the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the charity being wound up while they are a member or within one year of ceasing to be a member. At the end of the year there were 210 members (200 in 2003).

#### **Review of activities**

LVSC experienced a major challenge at the beginning of the financial year. Faced with a substantial budget deficit, the Board and Senior Management Team had to take drastic action to cut back staff and reduce expenditure in order to balance the budget while ensuring the longer term sustainability of the organisation and the continuity of our key services. Despite the difficulties, LVSC has achieved an enormous amount in the twelve months under review, largely due to the commitment of its staff. Below is a snapshot of the various services which LVSC continued to deliver to the usual high standard during the year:

## London Voluntary Service Council

### Report of the Trustees

For the year ended 31 March 2004

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- **Action Link**

Action Link continues to offer a quality web based information resource for and about London's voluntary sector. The database now contains the details of over 5,000 organisations across London.

A six month extension of European funding allowed the development of an on-line registration form, a FAQ section, some improvements to the display of course and event information and the facility to conduct on-line surveys which is to go live in 2004.

- **Health and Social Care**

The Health and Social Care project organised two highly successful cross-sectoral conferences to share good practice in partnership working between primary care and the voluntary sector in delivering services and reducing inequalities in health. One focused on BME communities; the other on Londoners as a whole. The project published two good practice briefings from the events. It held a joint seminar to develop dialogue between London Health Observatory and voluntary organisations; facilitated links between BME networks and strategic bodies; and co-ordinated CVS responses to issues arising from the setting up of Patient and Public Involvement Forums. The project co-ordinated London Health Alliance and 3SA Health Forum, consulted on and co-ordinated responses to policy proposals, contributed its expertise to the London Health Commission, and disseminated information to voluntary organisations across London. Due to lack of continuation funding the project ended in May 2004.

- **Learning**

We ran a total of 354 open and in-house training courses; there were 244 open courses, which were attended by 1,853 participants. During the year we introduced the following new courses: Emotional Intelligence in the workplace; Coaching for managers; Leadership skills; Creating personal impact; and Effective networking skills. We also ran 110 locally delivered courses.

Over the last year between the in-house and open/brochure courses we provided training for organisations within all the London boroughs. Overall the percentage of organisations from the Outer London Boroughs sending people on courses/having in-house courses was 42%. However, it seems that there is a preference in the Outer London boroughs for us to provide local training. When we look only at the in-house courses, the percentage delivered in the Outer London boroughs was 50%.

- **Networks**

**The Voluntary Sector Forum (VSF)**

The Forum relates to the Social Policy and Grants Division of the Association of London Government (ALG) on behalf of more than 400 Voluntary Sector organisations it funds. The elected committee of members continues to act on behalf of the forum in the following ways:

- It monitors and comments on ALG grants operation and policy;
- It organises an annual consultative conference plus other events as and when needed;
- It represents the views of ALG-funded groups to the councillors and officers of ALG;
- It produces a newsletter to keep ALG-funded groups informed about developments.

**The London CVS Network**

The Network aims to enable London Councils for Voluntary Services to be more effective at a local level and to have a regional voice on strategic issues.

LVSC services the Network by:

- Organising 4 conferences a year;
- Producing 4 editions of the newsletter, *CONNECTIONS*;
- Providing additional mailings, information and support as needed.

## London Voluntary Service Council

### Report of the Trustees

For the year ended 31 March 2004

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- **Personnel, Employment Advice and Conciliation Service (PEACe)**

During the year, PEACe has enabled an increasing number of voluntary and community organisations' staff and trustees to develop their capacity in the area of personnel and employment. This was achieved through a number of activities: we dealt with 430 cases from around 350 different organisations who received advice, support and coaching through the PEACe helpline and by email, improving accessibility of the service. 43% of calls to the helpline came via 2<sup>nd</sup> Tier organisations. 42% of service users were from groups who work with or support marginalised communities – black and ethnic minorities, disabled, elders, women and children.

During the year PEACe delivered over 10 training days on various aspects of employment law, all but one in Outer London. Feedback on the training is always favourable because we ensure that delivery and materials are up-to-date and have immediate relevance to the voluntary sector, especially to small groups. Work on the Job Evaluation CD ROM progressed steadily and included a thorough review on accessibility issues some of which were implemented through a major change programme. The 5<sup>th</sup> PEACe Conference held jointly with the Support & Advice Team in February, enabled 70 delegates from 2<sup>nd</sup> Tier organisations to learn from leading discrimination lawyers and diversity experts in a day focusing on diversity, equality and discrimination. Throughout the period PEACe continued to commission and produce articles and columns that appeared in a range of publications and posted over 40 up-to-date documents, policies and information resources on Action Link.

- **Project Synergy**

*Project Synergy* is a major new development at LVSC, which started in January 2004 with funding worth £2 million over three years from London Development Agency (LDA). The project will develop flexible, customer-focused advice and information services to the voluntary and community sector to build capacity across London. Existing projects at LVSC will be enhanced, in particular Support & Advice Team (SAT), Personnel and Employment Advice (PEACe) and Information Management. Projects will work more closely together, such as workforce development for second tier advisers, learning for new groups, and a London-wide knowledge management system. Project Synergy will develop in partnership with social enterprises and other key stakeholders in the capital.

Activity in the first three months of 2004 has concentrated upon preparing the ground for new staff, including the appointment of a project director. Project Synergy will be delivered by a team of nine staff at LVSC, growing to 11 by 2005. Services will be targeted at first and second-tier voluntary and community groups across London, including emerging groups. LVSC will be setting up a small *Project Synergy Reference Group* in 2004 to oversee the development of the Project.

- **Publications and Marketing**

During the year changes within LVSC and budget constraints meant that some of our normal activities were put on hold – such as updating display material and replacing the corporate leaflets. However, we produced new promotional and marketing leaflets. *Voluntary Voice* is now published bimonthly and a survey of our readership told us that its new look was liked but that there was room for improving the content.

We published the seventh edition of *Voluntary but not Amateur* at the end of March 2004 and started planning the next edition of *Just About Managing?* which is to be published towards the end of 2004.

For other LVSC teams, we produced:

- *Tourism and Regeneration*, the last of the LRN conference reports;

## London Voluntary Service Council

### Report of the Trustees

For the year ended 31 March 2004

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- A key points briefing on *Black and Minority Ethnic communities and primary care* for Health and Social Care;
- *Funding Formula: a holistic approach to resource development for voluntary and community organisations* for the Support and Advice Team.

Publications and Marketing provides a resource for LVSC but we are happy to share our expertise with others in the sector.

- **Strategy**

The Strategy and Policy function was severely depleted during the year. Despite this, work in this area included:

- Feeding in to the development of the LDA Economic Development Strategy via the London sustainable Development Commission;
- Feeding in to the FRESA sub group on refugee skills and employment;
- Holding the *futurebuilders* conference in July 2003 in partnership with MiNet and GOL;
- Giving written and verbal Evidence in Public on the Mayor's spatial development strategy as outlined in the draft London Plan;
- Launching the London Sustainable Development Commission framework;
- Publishing Regeneration and Tourism Report, the final part of LRN work.

- **Support & Advice**

The Support and Advice Team (SAT) continued to provide support and advice to a wide range of organisations. The Ready Steady Start series, Capacity Building facilitation work, Second Tier Advisory work and visits to organisations continued to be well received. Specific achievements of SAT across the four areas of service delivery have included the following:

- Dealing with 314 callers through a phone line dedicated to advice and guidance two days per week;
- Working in partnership with the LDA, BTEG and the Institute of Fundraising to develop the fundraising skills of 75 workers from Black-led organisations;
- Consolidating the Ready Steady Start Programme for Black, minority ethnic and other marginalised organisations. This programme has run in collaboration with partners BTEG, ARVAC, Refugee Council and Advice<sup>uk</sup>. Between 20 to 30 groups, 80% of which represent BME organisations, and 30% from the Outer London Boroughs attended the programme;
- Organising the "Diversity, Equality and Discrimination" conference in conjunction with the PEACe project;
- Co-ordinating STAN SWAP – Second Tier Advisors' Network Workforce Assessment and Development Plan;
- Working in collaboration with the Health and Social Care project to produce *Funding Formula: A Holistic Guide to Fundraising*;
- Developing the a-PAL Directory – a directory of capacity building support organisations across London.

- **The Forum**

The Central London Learning & Skills Forum continued to engage with voluntary and community sector organisations with interest in learning and skills issues. In 2003 – 2004 the work of the Forum was supported by funding from the London Central Learning and Skills Council (LSC) and the Focus Central London Legacy Fund, administered by the Peabody Trust. This support enabled the Forum to keep members up to date with the latest development in the learning and skills agenda, through its bi-monthly newsletter, events and e-mail updates.

The Forum worked in partnership with the Central London Learning Partnership (CLLP) to

## London Voluntary Service Council

### Report of the Trustees For the year ended 31 March 2004

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ensure that the voluntary and community sector was fully engaged in the London Central LSC Council Strategic Area Review (StAR) process, that will inform the future planning of post-16 learning in the sub region. The Forum submitted a number of key recommendations to the LSC following a StAR consultation event with members. The Forum also responded to the draft *Voluntary and Community Sector and Learning and Skills Council Strategy: Working Together*. The response was compiled following a joint consultation event with CLLP in March.

#### • **Third Sector Alliance (3SA)**

During the year, 3SA, the regional generalist network for London was engaged in the following activities:

- Organising the Home Office ACU Infrastructure conference in November 2003;
- Setting up a 3SA website and website discussion group;
- Preparing for the voluntary sector manifesto event;
- Increasing membership to over 200 network members;
- Providing twelve small grants to network members for policy development and accessibility.

#### **Staff and volunteers**

As a result of the large shortfall in funding, the Board and management were forced to take drastic but necessary steps which included, making a number of staff redundant. The loss of colleagues and friends affected everyone at LVSC. The Board, not wishing to underestimate the pressure which shortages caused on the remaining staff, would like to thank everyone for their dedication, commitment and support to each other in continuing to deliver LVSC's key services to a high quality. The Board is grateful to the staff for their contribution to the discussions on the way forward.

The Trustees would also like to extend special thanks to Michael Winton, who volunteered his time and expertise for over 7 years, as a fundraising volunteer. The Trustees and staff of LVSC wish him well for the future.

#### **Financial results**

At the start of the year, LVSC was faced with a projected deficit of over £500,000. To bring the budget under control and ensure the long term sustainability of the organisation, the Trustees worked with the Senior Management team to implement a significant number of staff redundancies and reduce costs. The Board is pleased to see that as a result of the actions taken, the projected deficit for the year has been turned into an actual deficit of less than £30,000, represented by a deficit of £66,233 on unrestricted funds and a surplus of £36,980 on restricted funds. The drawdown on unrestricted funds was necessary to cover redundancy and related termination payments amounting to £97,000 which are included in the management and administration costs and cannot be attributed to restricted funds.

#### **Future developments**

Significant long term funding has been secured to sustain and support LVSC's work; in particular, the ALG agreed for the first time, to fund LVSC with £1.35million over a three year period from 2004/05 (subject to performance) and LVSC entered into an agreement with the LDA worth £2million over three years. With this long term funding in place from the ALG and LDA, efforts are now focussed on securing continuation funding for existing projects which have either run out of funding or are due to run out of funding in the coming year.

With the financial support of the LDA, the Board has commissioned a consultant to produce a five-year strategic plan and income generation strategy including a review of LVSC's mission and values as well as a review of the board and organisational structure and operations for delivering the business plan. The plan is expected to be completed and adopted by the Board by October 2004.



## London Voluntary Service Council

### Report of the Trustees For the year ended 31 March 2004

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#### **Reserves policy**

The trustees aim to maintain free reserves, that is, funds not tied up in fixed assets and restricted funds, at a level required to meet fluctuations in income and other financial risks, while keeping in line with the requirements of our main funders. Our aim is to hold the equivalent of three months expenditure for the purpose – the current required level is about £217,445.

#### **Risk management**

The trustees and senior management team have reviewed the charity's activities and identified the risks to which it is exposed, in particular those related to operations and finances of the charity. This process involved identifying the types of risk and prioritising them in terms of potential impact and likelihood of occurrence. The trustees and senior management team will continue work on the next stage of the process which will identify action to prevent or minimise the occurrence of the identified risks.

#### **Statement of responsibilities of the Trustees**

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that the Report of the Trustees is prepared in accordance with law applicable to incorporated charities in the United Kingdom.

#### **Auditors**

PKF has indicated its willingness to continue in office as auditors of the charity. A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the trustees:



Mark Clarke  
Company Secretary

22 Sep 2004

## Independent Auditors Report

### To the members of London Voluntary Service Council

We have audited the accounts of London Voluntary Service Council for the year ended 31 March 2004 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

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

#### **Respective responsibilities of the trustees and auditors**

The responsibilities of the trustees for the charitable activities of London Voluntary Service Council for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the charity's affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

P  
KF

PKF

London, UK 11 OCTOBER

2004

Registered Auditors

# London Voluntary Service Council

## Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 31 March 2004

	Note	Unrestricted Funds £	Restricted Funds £	2004 Total £	2003 Total £
<b>Incoming Resources</b>					
Activities to further the charity's objects:					
Grants	4	494,592	1,063,731	1,558,323	1,947,981
Training		241,914	3,100	245,014	240,702
Publication sales		41,509	-	41,509	57,835
Other income	4c	19,131	12,311	31,442	77,475
Interest receivable		6,404	-	6,404	10,481
<b>Total Incoming Resources</b>		<b>803,550</b>	<b>1,079,142</b>	<b>1,882,692</b>	<b>2,334,474</b>
<b>Resources Expended</b>					
Cost of generating funds:					
Fundraising and publicity	5	28,279	25,780	54,059	39,828
Charitable expenditure:					
Information		251,191	117,655	368,846	463,268
Services		217,058	307,160	524,218	816,427
Strategy		28,771	337,620	366,391	459,522
Support costs		190,783	253,947	444,730	557,361
Management and administration		153,701	-	153,701	116,741
<b>Total Resources Expended</b>		<b>869,783</b>	<b>1,042,162</b>	<b>1,911,945</b>	<b>2,453,147</b>
<b>Net (Outgoing) / Incoming Resources</b>		<b>(66,233)</b>	<b>36,980</b>	<b>(29,253)</b>	<b>(118,673)</b>
Funds at 1 April 2003		159,636	162,410	322,046	440,719
<b>Funds at 31 March 2004</b>	9	<b>93,403</b>	<b>199,390</b>	<b>292,793</b>	<b>322,046</b>

All the above results are derived from continuing activities.

There are no other recognised gains or losses other than those stated above.

# London Voluntary Service Council

## Balance Sheet As at 31 March 2004

	Note	2004 £	2003 £
<b>Fixed Assets</b>			
Tangible assets	6	15,874	35,397
<b>Current Assets</b>			
Debtors and prepayments	7	212,489	404,102
Cash at bank		<u>235,590</u>	<u>132,164</u>
		448,079	536,266
<b>Creditors</b>			
Amounts falling due within one year	8	(171,160)	(249,617)
		<u>276,919</u>	<u>286,649</u>
<b>Net Assets</b>	10	<u>292,793</u>	<u>322,046</u>
<b>Represented by:</b>			
<b>Funds</b>	9		
General funds		48,403	96,967
Designated funds		<u>45,000</u>	<u>62,669</u>
Unrestricted funds		93,403	159,636
Restricted funds		<u>199,390</u>	<u>162,410</u>
<b>Total Funds</b>		<u>292,793</u>	<u>322,046</u>

Approved by the Board of Trustees on 22 September 2004.

Signed on behalf of the Board by:



Drew Stevenson  
Chair

## London Voluntary Service Council

### Notes to the Financial Statements For the year ended 31 March 2004

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#### 1 Accounting policies

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000). The following principal accounting policies have been applied:

##### a) Incoming resources

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

(ii) Income received in respect of ESF projects, is matched against expenditure incurred, any unexpended balances are carried forward until the projects are completed.

(iii) 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, conferences and publication sales.

(iv) Intangible income, which comprises donated office space and services which are measurable, material and quantifiable, are included in incoming resources at a valuation which is the financial cost borne by a third party. An equivalent amount is shown under resources expended.

##### b) Resources expended and allocation of costs

(i) All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been directly attributed to the charity's objects, support costs, costs of generating funds and the costs of managing and administering the charity.

(ii) Charitable expenditure comprises expenditure including staff costs, depreciation and other costs which are directly attributable to each activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

(iii) Support costs include staff costs, depreciation and other costs incurred by directorate, finance and central services departments. Costs, based on a percentage of time spent by each department, are allocated to activities or projects engaged in carrying out the objects of the charity.

(iv) Costs of generating funds are the costs incurred in seeking grants and similar incoming resources. It includes direct fundraising costs, a proportion of salaries and overhead costs of staff engaged in raising funds for their respective projects and publicity costs incurred in raising the profile of the charity.

(v) Management and administration costs are staff costs, depreciation and other costs incurred by directorate, finance and central services departments attributed to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

## **London Voluntary Service Council**

### **Notes to the Financial Statements For the year ended 31 March 2004**

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c) **Fund accounting**

The funds held by the charity are:

(i) Restricted funds – these are funds which have been given for specific purposes and projects as specified by funders

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

(iii) Unrestricted general funds are incoming resources receivable or generated for the objects of the charity 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 charity.

Further explanation of the nature and purpose of each fund is included in note 9 to the financial statements.

d) **Conduit funding**

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

e) **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.

f) **Depreciation of fixed assets**

All items costing less than £1,000 are written off in the year of purchase. Assets costing £1,000 and over 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.

## **2 Taxation**

As a registered charity under the Charities Act 1993, LVSC's income from charitable activities is exempt in accordance with section 505 of the Income and Corporation Taxes Act 1988.

## **3 Pension costs**

The charity is a member of a defined contribution pension scheme to which contributions are made by the employees and the charity at rates determined by the charity. The assets of the scheme are administered by The Pensions Trust in a fund, independent from that of the charity. Employer contributions at 3.5% of earnings are charged to the Statement of Financial Activities in the year in which they become payable.

# London Voluntary Service Council

## Notes to the Financial Statements For the year ended 31 March 2004

4	Grants and Similar Incoming Resources	Unrestricted Funds £	Restricted Funds £	2004 £	2003 £
a	<b>Grants receivable:</b>				
	<b>Central/local government &amp; statutory bodies:</b>				
	Association for London Government (i)	494,592	137,029	631,621	592,335
	Central London Learning & Skills Council				
	The Forum	-	99,977	99,977	7,814
	Third Sector Skills	-	106,692	106,692	-
	Community Fund				
	Project Synergy	-	15,035	15,035	5,141
	Funding Advice Workers Network	-	21,841	21,841	7,542
	Responding to Regionalisation	-	25,499	25,499	125,238
	Reduction of Barriers	-	4,941	4,941	4,791
	Research Project	-	8,530	8,530	16,809
	European Social Fund				
	Support & Advice	-	36,995	36,995	91,673
	Action Link	-	126,869	126,869	167,633
	Focus Central London Legacy Fund	-	31,751	31,751	51,511
	Home Office – ACU				
	Strategic funding	-	-	-	50,000
	Regional Infrastructure	-	58,000	58,000	58,000
	London Development Agency				
	BME Fundraising	-	45,079	45,079	7,295
	Project Synergy	-	111,235	111,235	-
	PLCRC	-	-	-	410,625
	National Health Service Executive	-	4,000	4,000	22,000
	New Opportunities Fund	-	6,063	6,063	32,892
		494,592	839,535	1,334,127	1,651,299
	<b>Charitable trusts and foundations:</b>				
	Bridge House Estates Trust Fund	-	40,000	40,000	66,900
	City Parochial Foundation	-	20,000	20,000	20,000
	Inman Charity Trustees Limited	-	-	-	1,500
	Lloyds TSB Foundation	-	-	-	46,806
	Peabody Community Fund	-	3,000	3,000	3,000
		-	63,000	63,000	138,206
	<b>Other</b>				
	British Telecom	-	-	-	3,000
	London Development Partnership	-	-	-	10,521
	Secondment Income				
	Department for Transport, Local Government and the Regions	-	42,176	42,176	39,326
	Government Office for London	-	32,854	32,854	31,351
	Home Office	-	34,053	34,053	12,147
	Donations	-	6,700	6,700	7,295
		-	115,783	115,783	103,640
		494,592	1,018,318	1,512,910	1,893,145

# London Voluntary Service Council

## Notes to the Financial Statements For the year ended 31 March 2004

- (i) As required by Section 37 of the Local Government and Housing Act 1989, LVSC confirms that all grants received from the Association of London Government have been expended on the purposes for which they were given.

b	Deferred Income – grants	Unrestricted Funds	Restricted Funds	2004	2003 Restated
		£	£	£	£
	Balance at 1 April 2003	-	69,281	69,281	124,117
	Grants receivable in the year	494,592	1,018,318	1,512,910	1,893,145
	Grants deferred at 31 March 2004	-	(23,869)	(23,869)	(1,947,981)
	<b>Released to Incoming Resources</b>	<b>494,592</b>	<b>1,063,731</b>	<b>1,558,323</b>	<b>69,281</b>

Deferred income represents grants which have been received for future accounting periods.

c	Other Income	Unrestricted Funds	Restricted Funds	2004 Total	2003 Total
		£	£	£	£
	Affiliation fees	3,460	-	3,460	12,800
	Charges for services	300	1,158	1,458	8,949
	Conference fees	6,565	-	6,565	7,281
	Commission and recoveries	8,806	-	8,806	35,026
	Intangible income (note 4d)	-	11,153	11,153	13,419
	<b>Total Other Income</b>	<b>19,131</b>	<b>12,311</b>	<b>31,442</b>	<b>77,475</b>

### d Intangible Income

The value of donated facilities which are measurable and quantifiable are included in incoming resources. Only values which have been certified are included at the financial cost borne by the respective third parties. An equivalent amount is shown under resources expended.

	2003	2003
	£	£
The Resource Centre – donated the space for the library	11,153	10,419
British Telecom – donated facilities for the Action Link launch	-	3,000
	<b>11,153</b>	<b>13,419</b>



# London Voluntary Service Council

## Notes to the Financial Statements For the year ended 31 March 2004

5 Resources Expended	Staff Costs £	Depreci- ation £	Other Costs £	2004 Total £	2003 Total £
<b>Charitable expenditure</b>					
Information	200,107	5,186	163,553	368,846	463,268
Services	235,031	6,914	282,273	524,218	883,036
Strategy	298,939	6,338	61,114	366,391	392,913
Support costs	240,757	1,085	202,888	444,730	557,361
	<u>974,834</u>	<u>19,523</u>	<u>709,828</u>	<u>1,704,185</u>	<u>2,296,578</u>
<b>Other expenditure</b>					
Fundraising and publicity	30,524	-	23,535	54,059	39,828
Management and administration	97,227	-	56,474	153,701	116,741
	<u>127,751</u>	<u>-</u>	<u>80,009</u>	<u>207,760</u>	<u>156,569</u>
<b>Total Resources Expended</b>	<b><u>1,102,585</u></b>	<b><u>19,523</u></b>	<b><u>789,837</u></b>	<b><u>1,911,945</u></b>	<b><u>2,453,147</u></b>

	2004 £	2003 £
<b>Staff costs include:</b>		
Salaries and wages (including redundancy costs)	954,663	1,075,991
Social security costs	94,459	101,475
Pensions costs	13,100	12,392
Agency staff costs	40,363	133,975
	<u>1,102,585</u>	<u>1,323,833</u>

	2004	2003
The average number of full time equivalent staff were:	28	40
The average number of agency staff were:	1	4
Number of employees earning more than £50,000	-	1

	2004 £	2003 £
<b>Other costs include:</b>		
<b>Auditors' remuneration:</b>		
Statutory audit - current year	8,500	8,000
- previous year under-accrual	9,500	-
- other advice	3,800	-
Grant audits - current year	3,500	1,600
- previous year under-accrual	4,100	-

### Trustees' expenses

No trustees received remuneration or were reimbursed for any expenses during the year. (2003: nil).

London Voluntary Service Council

Notes to the Financial Statements  
For the year ended 31 March 2004

6	Fixed Assets	Freehold Property	Computers and other equipment	Total
		£	£	£
	<b>Cost/valuation</b>			
	At 1 April 2003	225	180,546	180,771
	Additions during the year	-	-	-
	Disposals during the year	-	-	-
	At 31 March 2004	225	180,546	180,771
	<b>Accumulated depreciation</b>			
	At 1 April 2003	-	145,374	145,374
	Charged during the year	-	19,523	19,523
	Disposals during the year	-	-	-
	At 31 March 2004	-	164,897	164,897
	<b>Net Book Value</b>			
	At 31 March 2004	225	15,649	15,874
	At 31 March 2003	225	35,172	35,397

The freehold property represents the value of the freehold interest in two flats in Barnes, which are subject to a 99 year lease from June 1992. The last valuation was carried out in March 1992, and the Board is taking advantage of the provisions of Financial Reporting Standard No.15 'Tangible Fixed Assets' to maintain this valuation.

7	Debtors	2004	2003
		£	£
	Trade debtors	57,407	43,534
	Prepayments	37,267	36,276
	Accrued income	52,263	232,256
	Other debtors	65,552	92,036
		<u>212,489</u>	<u>404,102</u>
8	Creditors: amounts falling due within one year	2004	2003
		£	£
	Tax and social security	1,957	28,592
	Deferred income – grants	23,869	69,281
	Deferred income – fees	22,287	17,335
	Other creditors	80,935	77,090
	Accruals	42,112	57,319
		<u>171,160</u>	<u>249,617</u>

# London Voluntary Service Council

## Notes to the Financial Statements For the year ended 31 March 2004

9 Reconciliation of Funds	Balance	Movement in Funds			Balance
	1 April 2003 £	Incoming £	Outgoing £	Transfers £	31 March 2004 £
<b>Restricted funds</b>					
Action Link	-	127,049	(127,049)	-	-
ICT Barriers	20,678	-	(20,678)	-	-
On-Line Learning	-	6,063	(6,063)	-	-
Library	-	11,153	(11,153)	-	-
Support & Advice	5,000	132,336	(118,423)	-	18,913
Third Sector Skills	-	106,392	(85,357)	-	21,035
BME Fundraising	-	45,076	(45,076)	-	-
PEACe	43,264	38,527	(81,791)	-	-
Project Synergy	-	111,235	(24,262)	-	86,973
Sub-regional Development	13,832	31,751	(31,751)	-	13,832
Learning & Skills Forum	-	99,549	(56,761)	-	42,788
Health & Social Care	18,400	78,603	(96,468)	-	535
Regionalisation	-	58,000	(58,000)	-	-
Third Sector Alliance	22,899	89,325	(112,224)	-	-
Tourism and Regeneration	3,500	-	(3,500)	-	-
Sustainability	-	35,000	(35,000)	-	-
Secondments	-	109,083	(109,083)	-	-
Fixed asset fund	34,837	-	(19,523)	-	15,314
	<b>162,410</b>	<b>1,079,142</b>	<b>(1,042,162)</b>	<b>-</b>	<b>199,390</b>
<b>Designated funds</b>					
Staff contingency fund	25,669	-	(25,669)	25,000	25,000
Equipment & leasehold fund	19,000	-	-	(9,000)	10,000
Publications fund	18,000	-	-	(8,000)	10,000
	<b>62,669</b>	<b>-</b>	<b>(25,669)</b>	<b>8,000</b>	<b>45,000</b>
<b>General funds</b>	<b>96,967</b>	<b>803,550</b>	<b>(844,114)</b>	<b>(8,000)</b>	<b>48,403</b>
<b>Total unrestricted funds</b>	<b>159,636</b>	<b>803,550</b>	<b>(869,783)</b>	<b>-</b>	<b>93,403</b>
<b>Total Funds</b>	<b>322,046</b>	<b>1,882,692</b>	<b>(1,911,945)</b>	<b>-</b>	<b>292,793</b>

### Purposes of funds:

Restricted funds represent the unexpended portion of grants received for the purposes stated above.

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

- The staff contingency fund has been set aside to meet unexpected responsibilities and matters arising from staffing and employment law.
- The equipment and leasehold fund is set aside to contribute to the replacement of office equipment and obligations under leasehold agreements.
- The publication fund is set aside to contribute to updating and republishing LVSC publications.

# London Voluntary Service Council

## Notes to the Financial Statements For the year ended 31 March 2004

10	Analysis of Net Assets between Funds	Unrestricted Funds	Restricted Funds £	2004 £	2003 £
	Balances at 31 March 2004 are represented by:				
	Tangible fixed assets	560	15,314	15,874	35,397
	Net current assets	92,843	184,076	276,919	286,649
	<b>Total Net Assets</b>	<b>93,403</b>	<b>199,390</b>	<b>292,793</b>	<b>322,046</b>

### 11 Commitments

Annual commitments under lease agreements expiring in 2 - 5 years, amounted to

Premises - £31,000 (2003 - £37,560)

Equipment - £3,421 (2003 - £3,421).

### 12 London Civic Forum

LVSC continued to act as accountable body for the SRB grant to the London Civic Forum. The final instalment of £8,579 was received in July 2003 and has not been included in these financial statements.

### 13 Related Party Transaction

The Third Sector Alliance (3SA) awarded £3,500 to the Women's Resource Centre from the 3SA Policy Development and Accessibility funds. At the time, the Director of the Centre was a member of LVSC's Board of Trustees. The Director was not involved in the decision making process.