

Islington Voluntary Action Council

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REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

for the year ended
31st March 2006



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SUE AN FIELD
CHARTERED ACCOUNTANT

NEPTUNE HOUSE
70 ROYAL HILL
LONDON SE10 8RF

ISLINGTON VOLUNTARY ACTION COUNCIL

Information for the year ended 31st March 2006

Incorporated In England on 14th May 1985

Company Number 1913555

Charity Number 291890

Registered Office: 3 Aztec Row
Berners Road
London
N1 0PW

Directors & Trustees:	Salna Abdallah	Patrick Mgbеojikwe
	Comfort Arthur	Deborah Frances Pippard
	Patrick Ernest Haynes	Brian Potter
	Graeme Jones	Joan Shearman
	Tracey Lazard	Theodore Spyrou
	Linda McGowan	Comfort Ubani – Nsionu
	Gracia McGrath	David Stephen Vandivier

Secretary: Yaw Brobbey

Auditor: Susan Field
Neptune House
70 Royal Hill
London
SE10 8RF

Bankers: HSBC
Angel Islington Branch
25 Islington High Street
London
N1 9L1

Unity Trust Bank
Nine Brindley Place
4 Oozels Square
Birmingham
B1 2HB

ISLINGTON VOLUNTARY ACTION COUNCIL

Report of the Trustees for the year ended 31st March 2006

Directors' and Trustees' Report

The directors and trustees present their annual report together with the audited financial statements for the year ended 31st March 2006.

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued by the Charity Commission in March 2005.

Legal Status

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The provisions of the governing document have been complied with during the year under review.

Aims and Objectives of the Charity, Principal Activities and Organisation of our work

The Charity's object and its principal activity continues to be promoting any charitable purposes, in particular the furtherance of health and the relief of poverty, distress and sickness by bringing together in the company, representatives of the statutory authorities and voluntary and community organisations engaged in these activities in the London Borough of Islington.

The charity is organised through the executive committee to whom the director is answerable. The director is responsible for the management of the Finance Director/ Deputy Director, Communications Officer, four Small Groups Development Officers, the Capacity Building Coordinator, the ICT Support and Development Officer, Health Partnerships Development Officer, Community Network Coordinator, Central London CVS Network Coordinator, Central London CVS Network Information and Support Officer, Community Network Administrator, Finance Officer, ESF Project Manager, ESF Project Administrator, Internal Services Coordinator and the Internal Services Assistant.

The director is not legally a director for the purposes of company charitable law.

Review of Activities and Achievements this Year

The trustees consider that the performance of the charity this year has been satisfactory and the objectives continue to be achieved.

As usual, IVAC's strategy for future years was again reviewed this year at a facilitated awayday.

IVAC's successful bid for European Social Fund (ESF) enabled further expansion. The additional funding allowed the employment of the ESF Project Manager and ESF Project Administrator. It also involved additional responsibilities for the Director, Capacity Building Coordinator and Finance Officer.

The charity enhanced its website at www.ivac.org.uk, and continued to develop partnership work with agencies within the London Borough of Islington.

There have been no changes of policy since the last report.

ISLINGTON VOLUNTARY ACTION COUNCIL

Report of the Trustees for the year ended 31st March 2006

Directors' and Trustees' Report (Cont'd)

Future Developments

Since the year end, the charity has continued to trade satisfactorily.

IVAC has a clear funding strategy towards its future development: the charity's forward fundraising strategy consists of a mixture of maintaining income from existing funders, gaining income from new funders, and increasing income from service delivery. New grants for future years have been made by various funders. Applications for future funding have been made and are being prepared in accordance with the charity's fundraising strategy.

Funds Available

The Charity continues to receive funding from the London Borough of Islington, the Community Fund, Government Office for London, the Association for London Government, the Islington Primary Care Trust, Central London Learning and Skills Council, Cripplegate Foundation and the Bridge House Trust.

Transactions and Financial Position

The Statement of Financial Activities shows net incoming resources for the year of £138,728, and our reserves stand at £234,363 in total.

The charity is dependent on the support of its funders. Funding from the London Borough of Islington is guaranteed until 31st March 2007, Community Fund funding is guaranteed until April 2007.

Reserves

IVAC currently holds a contingency fund of reserves of around 20% of its budget, an increase on last year's 11%. Each of the charity's funders is contractually obliged to give notice of three months should they wish to cease funding. IVAC plans to increase these reserves over the next three years in line with turnover.

Risk Assessment

The risks to which the charity is exposed have been identified and systems have been established to mitigate those risks. The risks to the charity were further assessed at a specific facilitated session for both trustees and staff members this year.

IVAC's reserve policy is designed to ensure that IVAC's administration can continue in an emergency.

ISLINGTON VOLUNTARY ACTION COUNCIL

Report of the Trustees for the year ended 31st March 2006

Directors' and Trustees' Report (Cont'd)

Directors, Trustees and Executive Committee

All directors of the company are also trustees of the charity, and there are no other trustees. The trustees throughout the year were as follows:

Salna Abdallah	Elected November 1 st 2005
Comfort Arthur	
Anne Femi	Resigned November 1 st 2005
Paul Gilbert	Resigned August 29 th 2005
Patrick Ernest Haynes	
Graeme Jones	
Tracey Lazard	
Linda McGowan	
Gracia Mary McGrath	
Patrick Mgbеojikwe	Elected November 1 st 2005
Khodabhai Patel	Elected November 1 st 2005. Died December 2005
Deborah Frances Pippard	
Brian Potter	Elected November 1 st 2005
Joan Shearman	
Theodore Spyrou	
Comfort Ubani - Nsionu	
David Stephen Vandivier	

The trustees also serve on the executive committee. The trustees are elected by the members at the Annual General Meeting. The London Borough of Islington has the right to nominate two members appointed by their peers. They have chosen not to exercise this right. The existing trustees have the right to co-opt up to four further trustees provided they do not exceed one quarter of the elected total. The maximum number of trustees is twenty unless otherwise determined by the members at an annual general meeting.

Small Company Exemptions

These financial statements are prepared in accordance with the special exemptions of part VII of the Companies Act 1985 relating to small companies.

Directors' and Trustees' Responsibilities

Law applicable to Charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;

ISLINGTON VOLUNTARY ACTION COUNCIL

Report of the Trustees for the year ended 31st March 2006

Directors' and Trustees' Report (Cont'd)

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985.

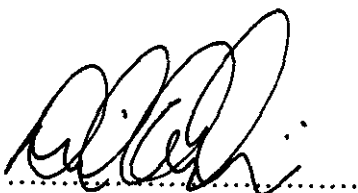
They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Auditor

The auditor, Susan Field, was appointed by the trustees due to the illness of Michael Bell. It is the intention of the Trustees to invite tenders for the audit of the 2007 accounts.

The financial statements comply with the charity's constitution and with current statutory requirements, and have been prepared in accordance with the Statement of Recommended Practice "Accounting for Charities" (2005).

Signed on behalf of the Trustees:



Date: 7th November 2006

SUSAN • FIELD

CHARTERED ACCOUNTANT
NEPTUNE HOUSE
70 ROYAL HILL
LONDON SE10 8RF

TELEPHONE
020-8694-8004
020-8964-8081
FAX
020-8694-8069
susan@susanfield.co.uk

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ISLINGTON VOLUNTARY ACTION COUNCIL

I have audited the financial statements of Islington Voluntary Action Council for the year ended 31st March 2006 on pages 8 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and Auditor

As described in the Statement of Trustees' Responsibilities the charity's trustees (who are the also the directors of Islington Voluntary Action Council for the purpose of company law) are responsible for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

I read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

SUSAN • FIELD

CHARTERED ACCOUNTANT
NEPTUNE HOUSE
70 ROYAL HILL
LONDON SE10 8RF

TELEPHONE
020-8694-8004
020-8964-8081
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020-8694-8069
susan@susanfield.co.uk

Basis of audit opinion


I conducted my audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31st March 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Susan Field
Chartered Accountant
Registered Auditor
Neptune House
70 Royal Hill
London
SE10 8RF

Date: 11th November 2006

ISLINGTON VOLUNTARY ACTION COUNCIL

Statement of Financial Activities and Income and Expenditure Account

for the period ended
31st March 2006

	Restricted Funds £	Unrestricted Funds £	2006 Total £	2005 Total £
Incoming Resources				
Incoming Resources from generated funds (Note 2)				
<i>Voluntary Income</i>				
Donations and grants	1010259	62524	1072783	532868
<i>Investment income</i>				
Bank Interest	-	3719	3719	1772
<i>Incoming resources from Charitable activities</i>	-	60668	60668	84761
Other incoming resources	-	<u>11895</u>	<u>11895</u>	-
TOTAL INCOMING RESOURCES	<u>1010259</u>	<u>138806</u>	<u>1149065</u>	<u>619401</u>
Resources Expended (Note 4)				
Charitable activities	920370	85972	1006342	574922
Governance costs	-	<u>3995</u>	<u>3995</u>	<u>2350</u>
TOTAL RESOURCES EXPENDED	<u>920370</u>	<u>89967</u>	<u>1010337</u>	<u>577272</u>
Net Incoming / (Outgoing) Resources before transfers	89889	48839	138728	42129
Net movement in funds	-	-	-	-
TOTAL FUNDS BROUGHT FORWARD	<u>20356</u>	<u>75279</u>	<u>95635</u>	<u>53506</u>
TOTAL FUNDS CARRIED FORWARD	<u>110245</u>	<u>124118</u>	<u>234363</u>	<u>95635</u>

There were no recognised gains or losses in the year, other than those referred to above.

ISLINGTON VOLUNTARY ACTION COUNCIL

Balance Sheet at 31st March 2006

	<u>2006</u>	<u>2005</u>
	£	£
<u>Fixed Assets</u>		
Tangible Assets	-	-
<u>Current Assets</u>		
Debtors/ Prepayments (Note 7)	51230	16731
Cash at bank and in hand	<u>244118</u>	<u>118968</u>
	295348	135699
<u>Less creditors: Amounts</u>		
<u>falling due within one year</u> (Note 8)	<u>60985</u>	40064
Net current assets	<u>234363</u>	<u>95635</u>
Net assets	<u>234363</u>	<u>95635</u>
<u>Represented By</u>		
Restricted funds (Note 10)	110245	20356
Unrestricted funds	<u>124118</u>	<u>75279</u>
Total charity funds	<u>234363</u>	<u>95635</u>

The financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages were approved by the Board of Trustees on 7th Nov 06 and signed on their behalf.

Trustee

Trustee

The annexed notes from part of these financial statements.

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statement of the charitable company are described below.

Basis of preparation of accounts

- (a) The financial statements have been prepared under the historical cost convention except for fixed and in accordance with the Statement of Recommended Practice (SORP) "Accounting by Charities" and Accounting Standards.

The charitable company has taken advantage of the exemption of F.R.S.1 from the requirement to produce a cash-flow statement.

(b) Company Status

The charitable company does not have a share capital and is limited by the guarantee of its members to a maximum of £1.

The charitable company being able to satisfy the requirements of Section 30(3) of the Companies Act 1985 and having made a statutory declaration of this effect, is exempt from having to include the word "Limited" as part of its name.

(c) Tangible fixed assets and depreciation

Expenditure on office equipment of less than £500 is charged to expenditure in the year in which it is incurred.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Furniture & Equipment – 33 % Straight-line basis.

(d) Income

Grants are recognised when the funds are due.

(e) Lease and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

(f) Allocation of expenditure

The charitable company's head office house as all aspects of the charitable company's activities. Charitable expenditure includes all direct expenditure incurred in performance of charitable activities including salaries and other direct service costs. Indirect costs are apportioned on the basis of estimates made by the management committee.

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

1. ACCOUNTING POLICIES (CONT')

(g) The directors having considered the format of the Income/Expenditure Account set out in Shc.4 of the Companies Act 1985, consider that it is not wholly appropriate for the activities of this company and have taken advantage of paragraph 2(3) of Sch.4 and have presented an alternative format which better reflects the special nature of the company's activities.

(h) Investment Policy is to take credit for investment interest as and when received.

2. INCOME

Grant income was received from the following sources:

	<u>Total</u> <u>2006</u> £	<u>Total</u> <u>2005</u> £
ESF – LOTS	104388	-
London Borough of Islington	83880	83793
A.LG	111937	67699
Health Authorities	14000	7000
Cripplegate Foundation	23524	20000
G.O.L	109769	15000
Sundry	-	28353
Community Empowerment Fund	132229	150258
ALG – Central London CVS	99477	-
Bridge House Trust	37000	-
Lloyds	10000	-
Community Fund	85805	124765
European Social Fund	260773	-
Corporation of London	-	36000
	<u>1072783</u>	<u>532868</u>

3. NET OUTGOING RESOURCES

Net outgoing resources is stated after charging/(crediting):

	<u>2006</u> £	<u>2005</u> £
Auditor's Remuneration	3995	2350
Depreciation of tangible fixed assets	-	4182

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Charitable Expenditure	Support Cost	Total	Total 2005
	£	£	£	£
Staff costs	579828	17854	597682	423994
Establishment costs	-	164979	164979	34835
Financial costs	-	1117	1117	12191
Equipment renewals	-	6051	6051	-
Grants paid	78707	-	78707	-
Other costs	-	161801	161801	-
Depreciation	-	-	-	4182
	<u>658535</u>	<u>351802</u>	<u>1010337</u>	<u>475202</u>

5. STAFF COSTS

	Total	Total 2005
	£	£
Wages and Salaries	529622	368134
Social Security costs	48934	38880
Pension Costs	19126	16980
	<u>597682</u>	<u>423994</u>

No employee was remunerated at a rate of more than £60,000p.a.

Service and administration staff	20	14
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The average number of employees during the year was 20 (2005 – 14), all of whom were engaged in the provision of services to voluntary and community groups in London Borough of Islington.

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

6. TANGIBLE FIXED ASSETS

	<u>2006</u> <u>Total</u> £	<u>2005</u> <u>Total</u> £
Cost		
At 1st April 2005	62268	61963
Additions	—	<u>305</u>
At 31st March 2006	<u>62286</u>	<u>62268</u>
Depreciation		
At 1st April 2005	62268	58086
Charge for the year	—	<u>4182</u>
At 31st March 2006	<u>62268</u>	<u>62268</u>
Net Book Value - At 31st March 2006	<u>—</u>	<u>—</u>

7. DEBTORS / PREPAYMENTS

	<u>2006</u> £	<u>2005</u> £
Staff Loan – Season Ticket	-	600
Amounts falling due within one year (Clients)	45397	19451
Provision for doubtful debts	(3320)	(3320)
Prepayments – Rent	<u>9153</u>	<u>—</u>
	<u>51230</u>	<u>16731</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2006</u> £	<u>2005</u> £
Trade creditors	37603	18142
Other Taxation and Social Security	15784	13348
Other creditors	380	-
Accruals	3995	3397
Unrestricted funds		
Staff Pensions	<u>3223</u>	<u>5177</u>
	<u>60985</u>	<u>40064</u>

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

9. ANALYSIS OF CHARITABLE FUNDS

Restricted Funds

	At 1 st April 2005	Incoming Resources	Resources Expended	Transfers	At 31st March 2006
	£	£	£	£	£
Health Project	14,189	58,880	73,069	-	-
CLCVS Project	-	211,414	151,338	-	60,076
Capacity Building	-	393,537	366,459	-	27,078
Information	-	44,805	44,805	-	-
Community Network	-	132,229	132,229	-	-
Finance Project	-	12,625	12,625	-	-
ICT Support	-	37,000	37,000	-	-
Refurbishment	-	109,769	86,678	-	23,091
Other	<u>6,167</u>	<u>10,000</u>	<u>16,167</u>	<u>-</u>	<u>-</u>
Total	<u>20,356</u>	<u>1,010,259</u>	<u>920,370</u>	<u>-</u>	<u>110,245</u>

Unrestricted Funds

	At 1 st April 2005	Incoming Resources	Resources Expended	Transfers	At 31st March 2006
	£	£	£	£	£
General	<u>75,279</u>	<u>138,806</u>	<u>89,967</u>	<u>-</u>	<u>124,118</u>
Grand Totals	95,635	1,149,065	1,010,337	-	234,363

ISLINGTON VOLUNTARY ACTION COUNCIL

Notes to the Accounts
for the year ended
31st March 2006

9 ANALYSIS OF CHARITABLE FUNDS (CONT'D)

Purposes of Restricted Funds

CLCVS Project: This is part of the grant meant for change up payment to various CVSS.

Capacity Building: This fund for ESF Partners claim. The payment is made after organisations satisfy laid down criteria.

Refurbishment: A grant was received under the London Change Up programme to refurbish our offices to improve accessibility. This fund is for the payment of our outstanding liability.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2006	2005
	£	£	£	£
Fixed Assets	-	-	-	-
Net Current Assets	<u>124118</u>	<u>110245</u>	<u>234363</u>	<u>95635</u>
Net Assets – 31 st March 2006	<u>124118</u>	<u>110245</u>	<u>234363</u>	<u>95635</u>

11. In accordance with Section 37 of the Local Government & Housing Act 1989, we confirm that the funding from the Government of London, was spent as per the funding application on salaries and associated costs.
12. Investment policy is to account for interest as and when received.
13. The balances on restricted funds of £110,245 represent monies received for particular projects which had not been expended at the Balance Sheet. They will be expended in subsequent accounting periods and include £60,076 in respect of the Change Up project which was expended in June 2006.
14. Two trustees were reimbursed a total of £209 in expenses during the year.