

**COMPANIES HOUSE  
COPY**

Company number 2288239

**Wolverhampton Voluntary Sector  
Council (Limited by Guarantee)**

Registered charity number 700910

**Report of the Board of Trustee Directors  
and Financial Statements**

**Year Ended**

**31 March 2007**



## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

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# **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

## **Legal and Administrative Information**

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### **Charity Name**

Wolverhampton Voluntary Sector Council (WVSC)

### **Board of Trustee directors**

Mirza Baig	
Ann Gough	(Chair)
James Smith	
Eileen Birch	
Ferdinand Addo	
Kath Rees	
Fazia Bano	
Bruce Kirk	(Vice Chair)
Graham Myerscough	
Janet Clarke Lewis	
Colin Knott	
Pat Kemp	
Dawn Bennett	

### **Secretary and registered office**

Brian Cove, 16 Temple Street, Wolverhampton, WV2 4AN

### **Senior Management Team**

Ian Darch	Chief Executive
Jane Gledhill	Deputy Chief Executive
Alison Davenport	Office Manager

### **Company number**

2288239

### **Registered charity number**

700910

### **Auditors**

Muras Baker Jones, Regent House, Bath Avenue, Wolverhampton, WV1 4EG

### **Bankers**

The Co-operative Bank plc, 1-2 Dudley Street, Wolverhampton,  
WV1 3EN

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

### **Trustees Annual Report for the year ended 31 March 2007**

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#### **Financial Statements**

The trustees are responsible for preparing this Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 state of affairs of Wolverhampton Voluntary Sector Council ("WVSC") and of the surplus or deficit of WVSC for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that WVSC will continue in operation.

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

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware

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

##### **Administrative Details**

The day-to-day management of WVSC is ultimately the responsibility of the Chief Executive on behalf of the Trustees. The Chief Executive is also responsible, with the board of trustees, for the strategic direction of the organisation and the departments and projects within it.

Much of the day to day management, including in the areas of finance and office management, is delegated to a small core team led by the Deputy Chief Executive/Finance (part time) who is supported by an Office Manager (part time), Finance Officer (part time), Administrator (part time) and Receptionist. This "core" team provide support to each department within WVSC and to the organisation as a whole

### **Governing Document**

WVSC is a charitable company limited by guarantee, incorporated on 19<sup>th</sup> August 1988 and registered as a Charity on 24<sup>th</sup> November 1988. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being "wound up" members are each required to contribute an amount not exceeding £1.

### **Recruitment and Appointment of Board of Directors**

The directors of WVSC are selected from the organisation's wider membership that is currently made up of voluntary and community groups and organisations carrying out their work predominantly in the City of Wolverhampton.

The directors of the company are also the Charity trustees for the purposes of charity law. Under the company's Articles they are known as members of the Management Committee. Under the requirements of the Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Although WVSC is a small to medium sized organisation, it is a complex one operating in what is an increasingly challenging environment. It is therefore important that the skills and competencies of the trustee body are at a high level. WVSC is also involved in a very diverse range of activities as outlined later in this report and therefore the trustee body needs to demonstrate a broad as well as a high level of skills in carrying out its governance role.

It is important that the sector served by WVSC continues to play a central role in the organisation's governance, but as the role of the sector and of WVSC within it has continued to develop, a review of governance arrangements has taken place with one aim of extending the pool of potential skills at board level. This review has led to a new category of individual membership for those sympathetic to the mission of WVSC. These individual members can come from any sector and will have full rights to vote and be nominated to the board. Quorums are in place to ensure that control remains firmly within the voluntary sector. These changes are subject to confirmation by the AGM.

### **Trustees' Induction and Training**

As representatives of member organisations, most trustees are familiar with the work of WVSC and new trustees are given an information pack. During the year this pack was updated.

In addition, during the year reports on specific activities are provided at board meetings and training/orientation sessions are organised for trustees. The strategic direction of WVSC is regularly discussed at board meetings and a planning/strategy day will take place in September 2007 involving the board and senior staff.

## **Organisation Structure**

WVSC has a management committee of up to 18 members who meet quarterly and are responsible, with the Chief Executive, for the strategic direction and policy of the Charity. In addition the City Council nominate a councillor with observer status on the board, and the Chief Executive of a partner organisation also attends as an observer

**A sub committee of the board** (known as the **Executive Committee** and consisting of four directors) has been established and meets with the Chief Executive on an ad hoc basis as required. This sub committee provides a forum for more detailed discussion on key issues and advises the board

Three additional sub committees have been operating during the year

**The Finance Committee** considers more detailed financial issues and makes recommendations to the board on strategic issues arising from the financial and management accounting processes.

**The Personnel Committee** considers more detailed personnel issues and makes recommendations to the board as appropriate. This committee has overall responsibility for ensuring that appropriate personnel policies and recruitment procedures are in place

**A Remuneration Committee** consisting of the Chair of the Board and the Chairs of the Finance and Personnel sub committees meets as requested by the Chief Executive to consider issues of staff remuneration

The Chief Executive has delegated responsibility from the board for the provision of services and the day-to-day operation of WVSC. The Chief Executive works closely with managers in executing these responsibilities. The structure below the board comprises a number of elements:

**Section Heads:** A regular meeting of managers from each department, along with the Deputy Chief Executive and Office Manager, meet with the Chief Executive on a bi monthly basis in order to oversee the effective delivery of the organisation's outcomes on a day to day basis, to maintain a consistent approach across the organisation and to share information

**Staff meetings:** Regular staff meetings provide a forum for ensuring a collective understanding of day-to-day matters in areas such as health and safety and provide a forum for the Chief Executive and others to communicate matters of relevance to all staff

**Staff support:** All staff meet regularly for supervision with their Line Managers. The Chief Executive manages and supervises all "Section Heads" apart from the Office Manager who reports to the Deputy Chief Executive. The Chief Executive receives supervision from the Chair of the Board

**Individual Progress Reviews (IPRs):** A system of IPRs was introduced in 2005/06 for all staff. IPRs take place on an annual basis with a six monthly review and are designed to ensure that each staff member has the knowledge, skills and tools to play an effective and appropriate role in delivering the organisational outcomes. The Chair of the Board conducts the Chief Executive's IPR. The IPR process will be subject to a planned review in 2007/08.

**Financial delegation:** Robust financial systems are in place, with levels of financial authority from the Board, through to the Chief Executive down to individual departments, within agreed budgets. Systems for authorising both expenditure and invoices are in place along with an effective credit control system. Regular reports to the Finance Sub Committee ensure overall financial prudence and allow for the management of any financial risk.

**Staff Committees:** There are a number of staff committees that meet to consider operational issues in areas such as Health and Safety and Human Resources.

## Partner Organisations

WVSC is a member of the National Association of Community and Voluntary Sector Organisations (NACVS), that is the national umbrella organisation. It is also a member of The National Council for Voluntary Organisations (NCVO).

As an umbrella organisation for the sector, WVSC has a major strategic role in Wolverhampton and, in line with Government policy, does some work with partner organisations across the Black Country in order to achieve shared outcomes. As such WVSC works in partnership at a number of levels, these can be summarised as follows:

**Members** As a membership organisation, WVSC has a role in working with members to "Champion" the sector. This involves working with organisations in response to issues affecting the sector and carrying out a co-ordinating role to ensure that the sector is effectively represented at a strategic level across the city.

**Umbrella Organisations** The introduction of the Local Area Agreement brings with it a more pressing requirement to work in partnership with organisations and networks that have a role in supporting the sector. This includes the Network Consortium and the various thematic networks (BME, Disability, Young People etc.) that exist. The development of a Voluntary Sector Strategic Forum during the year is helping to strengthen this role and WVSC has played a key role in this development.

In addition, the ChangeUP initiative developed by Government requires WVSC to work with other infrastructure and umbrella organisations across the Black Country in order to develop a sub regional infrastructure plan highlighting areas in which added value can be obtained from Black Country wide provision of infrastructure support. As key members of the Black Country ChangeUP consortium, WVSC has taken a lead on this work and the Chief Executive is currently the Vice Chair.

**Statutory Sector:** The Chief Executive and Chair of WVSC are members of the Local Strategic Partnership, working closely with statutory sector colleagues in overseeing the delivery of the Community Plan for Wolverhampton. In addition, the board and senior staff of WVSC work closely with statutory sector colleagues on a range of strategic matters. During the year this has included the Chair and Chief Executive sitting on the Executive Group of the Local Strategic Partnership. In the past year this work has included the on-going development of the Local Area Agreement (LAA), a tool for delivering the Community Plan, working with partners to develop effective commissioning processes for the delivery of services in Wolverhampton and working closely with the City Council to make the transition from grants to service agreements and playing a full part in the implementation of the partnerships improvement plan.

## **Risk Management**

The risks facing WVSC can be considered under 3 broad headings as follows

### **Financial**

**Internal Control risks:** The risk of financial mismanagement and, in the extreme, fraudulent activity. These are minimised within WVSC by having in place robust financial controls and policies and procedures for safe management of financial resources.

**External financial risks:** WVSC's income is generated through grants, contracts and direct, paid for, services. It is significantly dependent on third parties for the resources it needs to operate effectively. The fact that WVSC relies on a cocktail of funding reduces the risk to the organisation as a whole as it is extremely unlikely that several funding streams will be at risk at any one time. On the other hand this very breadth of our income means that ensuring funding for all our activities is an ongoing challenge.

These risks will always be with us. However they can be mitigated through working with funders to develop clarity and agreement with regard to the outcomes of our work and its positive impact, ultimately, on the Community Plan. In addition WVSC now has a robust and effective credit control system in place that serves to ease cash flow difficulties and minimise bad debts. The reserves policy referred to elsewhere in this report will provide some protection against short-term changes in funding. In addition WVSC is taking a lead in developing the Compact and associated codes of practice including one on funding and commissioning - this will provide the means to challenge any withdrawal or reduction in funding without good cause or at short notice.

### **Operational**

We work in an environment where the weight and complexity of legal requirements in areas such as health and safety, employment law and equal opportunities is growing, and this places all organisations at risk. The development of the core team, particularly the post of Office Manager, has provided us with additional capacity to respond effectively to this environment and WVSC now has systems and procedures



for developing and reviewing internal policies and procedures. The Personnel Committee are ultimately responsible for overseeing this area of work but WVSC also has in place a number of staff-led committees including in the areas of health and safety, equality duties and recruitment. These committees are tasked with responding to the operational requirements of the legislative framework.

### **Personnel**

Most organisations have a high level of dependency on their key staff. This is exacerbated within WVSC where the diversity of our activities and high levels of specialism among senior staff places us at significant risk if those staff were to leave through resignation or illness - in several areas there are no ready-made replacements who would be able to cover beyond the short term. With a developing structure for sharing knowledge through, for example, the Section Heads Meetings, and an IPR system designed to develop the skills of each staff member, we are developing our ability to respond to any loss of a staff member, but it is envisaged that our reliance on key workers will continue to be high. In response to this, a review of notice periods has taken place and the Chief Executive is now authorised to agree notice periods of two months for all Managers and three months for the Deputy Chief Executive and Managers of hosted projects. The Chief Executive has agreed to a three-month notice period. These changes do not impact on notice entitlements for staff based on length of service.

### **Objectives and Activities**

In broad terms WVSC works to ensure that the City of Wolverhampton is served by a Voluntary and Community Sector (VCS) that is effective and vibrant and this will continue to be the case. More specifically we have continued working during the year with partners to develop a shared understanding of the outcomes delivered by the sector for the benefit of Wolverhampton. These outcomes form the basis for our objectives and activities and can be summarised as follows:

- 1) Building VCS Capacity - Addressing the organisational development needs of community groups, organisations and networks who wish to undertake community action or deliver local services. For example providing training, grant programmes, advice on legal, funding and financial issues and ICT support.
- 2) VCS Service Delivery - Increasing the role of the VCS in delivering public services. For example supporting groups and organisations from the sector to contract with statutory services by providing support in areas such as those relating to the law, finance and quality. This has also involved working with the statutory sector to develop a commissioning framework that maximises the potential role for the VCS in delivering improved services to people in Wolverhampton.
- 3) Social Capital and Community Cohesion - Supporting people from different backgrounds so that they feel valued for the part that they play in making their community a better place to live and creating a sense of belonging. For example, supporting groups of people with physical and learning disabilities, people who have a mental illness, people who use drug treatment services and refugees and asylum seekers.

- 4) **Sector Involvement in Service Planning** - With the intention of increasing the capacity of local communities so that people are empowered to participate in local decision making and are able to influence service delivery. For example, supporting members of groups and organisations to be involved in strategic meetings or to contribute to public consultations

There is a significant overlap in these outcomes and the work required to achieve them. In terms of our support to frontline organisations the focus has been on the first two outcomes above, while much of our project work has contributed to outcomes 3 and 4. The nature of these activities is outlined, in brief, in the next section of this report

## **Volunteers**

The support provided by WVSC is available equally to paid staff and to volunteers through the provision of all our services to groups. In this way we are promoting and supporting volunteering within the city. Through ChangeUP we work with the Volunteer Centre in Wolverhampton and others across the Black Country to ensure that the value of volunteering is recognised and that appropriate and effective mechanisms for recruiting and supporting volunteers are in place and operating effectively. Through the Compact we have facilitated the production of a volunteering code of practice for Wolverhampton.

## **Achievements, Performance and Financial Review**

WVSC's activities are diverse and varied. A summary of the year's achievements and any financial issues can best be addressed through brief reference to each area of work in turn:

### **Core Activities**

**Championing the Sector** WVSC plays a championing role for the Voluntary and Community Sector and has fulfilled that during the year. Notably this has included playing a major role, on behalf of the sector, in a wide range of areas including Local Area Agreement, Commissioning Framework, Children's Trusts, the Compact, ChangeUP; the new VCS Strategic Forum, the Local Strategic Partnership and other partnership boards etc. This work has involved significant input from the Chief Executive and Chair in particular

**Specialist Services** This department continued its valuable service to frontline organisations, providing a wide range of advice and information on legal matters, including those relating to company and charity registration, employment issues, governance and leases etc. The support takes the form of one to one work with groups, training sessions for between 10 and 40 organisations and the production of briefings and materials to support groups in their day-to-day activities. A notable success during this year has been the production of an Employment Handbook distributed to over 200 groups and organisations.

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

### **Trustees Annual Report for the year ended 31 March 2007 (continued)**

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The more positive financial position achieved during the year has contributed to a healthier position on reserves and allows us to safeguard against a less favourable financial climate from 2008 onwards. Most importantly, the LAA funding has allowed us to focus our energies on those areas of greatest need rather than needing to focus on income generation to survive. This has, in turn, led to a better service for the sector in Wolverhampton.

**Community Accountant:** Following research among members and others, a need for support in managing and reporting on finances was clearly identified. Many of the difficulties facing small and medium sized organisations in particular are caused by a lack of financial systems and knowledge. Funding through the LAA for Capacity Building was obtained during the year, initially for a two-year period and this has allowed us to fund in full a Community Accountant. Since joining us in September the post holder has focused on providing one to one support. Training on areas of common interest is part of what is on offer and sessions on full cost recovery during the year have been very well received. The underspend of £14,709 is due to the difference between budgeted and actual start date of the project, and will be used either in achieving the aims and objectives of the project, or be returned to the funder.

**Compact:** The Compact is key to establishing the rules of engagement between the statutory and voluntary and community sectors. Our compact worker, fully funded as part of our service agreement with the City Council, took up post at the end of last year. During the year progress has occurred on a number of fronts including

- The development of codes of practice relating to the BME sector and volunteering
- The recruitment of Compact Champions
- The steady raising of awareness of the Compact
- The development of a mediation process
- The establishment of Compact principles within a range of documentation including service agreements
- The development of the Compact “brand”
- The establishment of a Website

It is anticipated that the role and profile of the compact will grow over the coming year. The balance of £4,591 is the result of the timing of funding payments.

### **Other Core Services**

We have continued to provide a range of other “core” services to frontline organisations as follows

**Payroll** During the year this service has remained fairly consistent in terms of take up. A review of the service, the first for many years, is underway, with the aim of expanding the number of beneficiaries.

**Reprographics** We continue to provide a cost effective reprographics service aimed at small groups.

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

**Trustees Annual Report for the year ended 31 March 2007 (continued)**

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**Mailings** Regular mailings continue to provide a cost effective means of communication within the sector.

In the year these activities have generated a net unrestricted income of £12,011 to be used in helping us to manage risk through our reserves policy and allow more flexibility in the delivery of our outcomes

**Newsletter.** At the planning stage in last year's report, the joint newsletter, produced with Wolverhampton Network Consortium, has now been established. The "Voice" is produced on a quarterly basis and is sent to over 1500 groups, organisations and individuals across the City. The cost of this newsletter to WVSC is incorporated into our Service Agreement with the City Council.

**Website** The development of an effective website has proved challenging but an embryonic site is now in place and progress is being made. The cost of developing a website that is fit for purpose will be covered by a designated fund of £5,000 established during the year for use in 2007/08. The ongoing population of the site will form part of the roles of existing staff.

## **Projects**

**Mental Health Empowerment Project:** This is a well established and highly regarded project that supports and enables the involvement of adults with mental health needs in the planning, influencing and monitoring of services. It also establishes and supports user led groups. During the year greater clarity has been established with regard to both the outcomes from this work and the monitoring process. The significant increase in the reserves balance as at the year end was primarily as a result of one-off grants that will be spent in delivering the project's outcomes.

**Health and Social Care** This project worked during the year to promote inclusion and participation in decision making forums and structures. It carried out some capacity building work, specifically in the area of outcomes and worked to promote and instigate organisational development learning for service providers. In the year it continued its specific focus on the Black and Minority Ethnic ("BME") sector.

As anticipated last year, the BME worker took up employment with Early Years Equality for 3 days a week in order to promote the work of Include Me Too, developed by WVSC, on a national basis. The post holder continued to work as part of the project on the remaining two days. Associated savings in salary costs allowed us to restrict the deficit for the year to £2,692 on a project that has historically struggled to cover its costs due to under funding. The total deficit on the project now stands at £3,721. A review of the project will take place, with funders, during 2007/08.

**HIV/AIDS** This fund was established to support activities aimed at tackling HIV and AIDS. Resources available in this fund are very limited at £2,289 and in the light of this it is not felt that widespread publicity is warranted. It is anticipated that

## WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

### Trustees Annual Report for the year ended 31 March 2007 (continued)

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the fund will be utilised in response to ad hoc requests to support activities that meet the project's original aims over the coming years.

**Women's Development Fund:** This fund was established by the Barrow Cadbury Trust to provide small grants to Women's organisations across the Black Country. Funds were distributed to infrastructure organisations across the Black Country and Walsall Voluntary Action was the accountable body. The grant repayment of £1,965 is money paid to the accountable body as a contribution, agreed with Barrow Cadbury, to cover over expenditure elsewhere in the Black Country. Apart from this, there was no activity on this fund during the year. Underspend (£5,232) is repayable to the funder or to an organisation approved by the funder.

**Regeneration Zone.** As anticipated in last year's report, agreement has been reached with funders, Advantage West Midlands, to utilise the under spend of £20,284 in furthering the aims of WVSC. With agreement from AWM the money is being used to develop and pilot an organisational health check for groups and organisations.

**Regeneration Policy Officer:** As anticipated in last year's report, funding for this post ended in June 2006 and the work has been incorporated into our funded cultural change activities referred to below.

**Quality Project:** This work, funded through European Regional Development funding, ended in December 2006. All outcomes in terms of support to groups and organisations on quality issues were met. Support in this area is now available through Right People -Right Skills. The project produced a deficit of £611. The Board have agreed to cover this deficit from general reserves.

**Learning Disability Advocacy:** People with learning disabilities remain among the most disadvantaged in our society - there remains a tendency for them to be sidelined in discussions regarding service provision. Independent advocacy is one important way of responding to this. The project has developed and supports 6 self-advocacy groups in Wolverhampton helping members to say what they want and what they feel about issues that are important to them. The project has had several successes during the year. Initial funding for this project came to an end in February 2007 and the work of the project was supported through its own underspend. At the year end there remained a deficit of £114 which has been covered by general reserves. Alternative funds have now been secured for a further year and so the project will continue.

**Quality Initiative:** This fund was made available in a previous year by the City Council in order to carry forward quality initiatives proposed by groups within the sector. Plans are in hand to utilise this resource although they have not yet been implemented and thus the fund of £10,000 remains on the balance sheet.

**Fundability:** This is a fund given as a lump sum to WVSC in 2004/05, to be used to support training activity for the VCS in Wolverhampton. The deficit showing on the accounts 06-07 (£4,200) relates to planned expenditure against this reserve fund, to support the costs of training on legal issues over the year. This pattern of gradually utilising this resource will, it is anticipated, continue in future years. The fund currently stands at £20,270.

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

### **Trustees Annual Report for the year ended 31 March 2007 (continued)**

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**Drug Service User Involvement Project:** This new project was established in February 2007. It works alongside users and ex users of drug treatment services to support them in influencing the design and delivery of drug treatment services. This work is fully funded through the Primary Care Trust (PCT). The balance on the reserves for this project of £14,421 is primarily as a result of staff coming into post after funding for the project commenced. Use of this restricted fund balance will be negotiated with funders during 2007/08.

**Cultural Change:** Funding of £25,885 has been made available to support the cultural change required across the sectors for Wolverhampton to be able to respond to the changing environment. During the year this resource has been used in a number of ways including:

- Consulting and reviewing the Service Agreement between the City Council and the groups they fund
- Supporting the Outcomes work
- Progressing the Compact more swiftly than would have been the case
- Supporting the work of the Chief Executive in leading this agenda for the sector

The amount of £2,640 carried forward relates to an underspend on the grant made available through the Local Area Agreement. This is a restricted fund that will either be used in achieving the aims of this area of work or returned to the funder.

### **Hosted Projects**

**Right People Right Skills:** WVSC is the accountable body and host for this project that works across the Black Country. Right People - Right Skills acts as a conduit between the VCS and training providers, ensuring the high quality delivery of workforce development activities, specifically training and the introduction of quality processes. As a major part of this work, the project manages two significant Learning and Skills Council (LSC) ESF contracts. In addition the project was in receipt of a development grant of some £164K through the LSC's Local Initiative Development Fund (LIDf).

The project returned a surplus of £59,288 in the year, leading to a total reserves balance at 31 March 2007 of £155,391. This is partly as a result of a payment profile that has allowed for money to be paid in advance of expenditure and partly as a result of true surpluses achieved through the delivery of the ESF contracts. A capital grant of £28,188 was also awarded to Right People - Right Skills towards the year end. Expenditure against this was committed prior to the year end and spent in early 2007/08.

To date this project has been significantly dependent on Local Implementation Development Funding (LIDf). It is likely that this resource will be significantly reduced in 2007/08 and withdrawn completely by 2008/09. Much of the current

surplus will therefore be crucial in supporting the on-going development of the project into the future

**ChangeUP** ChangeUP is a Central Government initiative aimed at developing a consortium approach to increasing capacity within the sector. In the Black Country this has led to some targeted activity in the areas of ICT, volunteering and Business Development, along with some sharing of good practice among members of the consortium. WVSC took a lead in the early stages of ChangeUP and remains a member of the Black Country ChangeUP Consortium, with the Chief Executive being the Vice Chair. There is an underspend of £5,920 which is repayable to the funder.

WVSC also hosts the ChangeUP funded Business Development Worker and activities in the accounts under "ChangeUp 2" relate to this member of staff.

**Black Country Women's Development Network (Inspire):** This project was hosted by WVSC until November 2005. The activity on the accounts relates to funding underspent at the time the project ended. These funds (£5,956) are repayable to the Lottery.

## Overall Achievements and Performance

Another year of significant change but one where we have also consolidated recent progress in a number of areas. The establishment of the Local Area Agreement is an example of the shift in culture that is taking place. This shift brings with it significant challenges for the sector in general and WVSC in its lead role, in particular. The focus on shared outcomes, an increased role in service delivery and the growing emphasis on partnership working all require improved performance and greater clarity. During the year, we have responded to this cultural shift and supported the wider sector in doing so. The Compact has a key role to play in this regard. At the same time we have continued to develop the level of support that we can offer "frontline" organisations through our community accountancy service, our cultural change initiatives, and the further development of our Specialist Services department. Internally we have aimed to lead by example and have continued to develop our own policies, processes and clarity of purpose.

In addition we have continued to develop the user involvement element of the organisation with the addition of the Drug Service User Involvement Service and through developing ongoing clarity regarding the outcomes of our other user involvement work.

As part of our planning for the future, we have taken the opportunity to lease the whole of 16 Temple Street, signing the lease in March 2007. This is providing us with the flexibility of accommodation more suited to our needs, provides the opportunity, already being taken up, to offer cost effective licences to small groups and organisations seeking office accommodation and allows us to continue to expand our services into the future if we choose to do so. The lease agreement allows us to give three months' notice on the ground floor while maintaining our historic lease on

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

### **Trustees Annual Report for the year ended 31 March 2007 (continued)**

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the first floor. In this way we have minimised the financial risk associated with this additional financial liability.

Accounts from 2003/04 showed free reserves of some £4,000, well under 1% of the organisation's operating costs. The past three years have seen very necessary progress towards a position of greater sustainability. The year under report has seen the unrestricted reserves increase by £94,477. From this, 2 designated funds, one for the development of our website (£5,000) and one for office refurbishment (£15,000), have been established. This increase in unrestricted reserves is a planned growth in line with the reserves policy, agreed by the board of trustees and necessary to achieve both a degree of financial stability within the organisation and to allow us to meet any obligations with regard to unplanned staffing costs in areas such as redundancies and pensions (see reserves policy below).

The surplus in the year under report has been achieved through a combination of income from trading activity, staffing levels increasing during the year, and some savings against budgeted expenditure. Surpluses that we do generate will continue to be used in a flexible way, allowing us to both secure our future in the challenging years ahead and provide a service that best meets the needs of the wider sector.

In summary, the year has seen a significant step forward for WVSC on a number of fronts. We have developed a greater clarity of purpose, put in place better, more robust systems in the areas of finance, recruitment and other core central services, have made further progress towards achieving the financial stability so necessary in these changing times and, most importantly, continued to improve the breadth and quality of what we are able to offer to the wider voluntary and community sector.

#### **Reserves Policy**

The Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the "free reserves") should fall in a target range between £18,000 and three months' total expenditure before management charges. At 31 March 2007 the free reserves amounted to £193,035 (including designated funds). Budgeted expenditure less management charges for 2007-08 is £1,333,482, which gives 3 months' expenditure of £333,370. The present level of reserves therefore falls within the policy range. Our reserves policy and relative success in achieving it should be balanced against a future, particularly beyond 2007/08, that is uncertain on a number of fronts.

#### **Plans for the Future**

Reference elsewhere in the report (objectives and activities) refers to outcomes for the City of Wolverhampton that WVSC contribute to. Our future activity will involve delivery of these outcomes, either directly or in partnership with others as appropriate. More specifically it is clear that there is potential for the Voluntary Sector to play a greater role in the identification of need, and design and delivery of public services. In order to maximise this role in Wolverhampton, the sector must show that it is "fit for purpose". In order to support this, we will aim to move towards a more pro-active



## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

**Trustees Annual Report for the year ended 31 March 2007 (continued)**

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way of working, the employment handbook is an example of this, ensuring that organisations understand their obligation rather than responding to an issue that has arisen from not doing so. Our Community Accountant is increasingly focusing on prevention through establishing systems and processes and our work in the field of user engagement is focused on ensuring that services across the city, whoever delivers them, meet the needs of those they are there to serve.

### **Auditors**

Messrs Muras Baker Jones have signified their willingness to continue in office as auditors should the next Annual General Meeting so decide

### **Board of Trustees**

The members of the Board of Trustees during the year, together with dates of any changes, were as follows

Mirza Baig	
Ann Gough	(Chair)
James Smith	
Eileen Birch	
Ferdinand Addo	
Kath Rees	
Fazia Bano	
Bruce Kirk	(Vice Chair)
Graham Myerscough	
Janet Clarke Lewis	
Colin Knott	
Pat Kemp	
Dawn Bennett	(Elected 18 Oct 2006)

**By order of the board of Trustees**



**B P Cove**

**Secretary**

**07 Sep 2007**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

We have audited the Financial Statements of Wolverhampton Voluntary Sector Council for the year ended 31st March 2007 which are set out on pages 18 to 30. These Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the Accounting Policies set out on pages 20 and 21.

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 Auditors' 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 Trustees and Auditors**

As described in the Statement of Trustees' Responsibilities the Trustees (who are also the Directors of Wolverhampton Voluntary Sector Council for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 judgements 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.

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 Financial Statements 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 Financial Statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOLVERHAMPTON  
VOLUNTARY SECTOR COUNCIL  
(continued)**

**Opinion**

**In our opinion**

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to Smaller Entities), of the state of the charitable company's affairs as at 31st March 2007, and of the incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Annual Report is consistent with the Financial Statements



MURAS BAKER JONES  
CHARTERED ACCOUNTANTS  
and Registered Auditors

Regent House  
Bath Avenue  
Wolverhampton  
WV1 4EG

7 September 2007

# WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

## Statement of Financial Activities for the year ended 31 March 2007 (incorporating an Income and Expenditure Account)

	Note	Unrestricted funds 2007 £	Restricted funds 2007 £	Total funds 2007 £	Total funds 2006 £
<b>INCOMING RESOURCES</b>					
Incoming Resources from generated funds					
Voluntary Income	4	111,936	-	111,936	107,890
Investment Income		7,439	2,269	9,708	5,428
Incoming Resources from charitable activities	5	89,095	865,757	954,852	755,614
<b>TOTAL INCOMING RESOURCES</b>		<u>208,470</u>	<u>868,026</u>	<u>1,076,496</u>	<u>868,932</u>
<b>RESOURCES EXPENDED</b>					
Charitable Activities	6	106,468	789,012	895,480	732,008
Governance Costs	7a	6,800	-	6,800	8,613
<b>TOTAL RESOURCES EXPENDED</b>		<u>113,268</u>	<u>789,012</u>	<u>902,280</u>	<u>740,621</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	8	95,202	79,014	174,216	128,311
Transfers between funds		(725)	725	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>94,477</u>	<u>79,739</u>	<u>174,216</u>	<u>128,311</u>
Total funds brought forward		<u>102,880</u>	<u>203,383</u>	<u>306,263</u>	<u>177,952</u>
<b>TOTAL FUNDS AT 31 March 2007</b>		<u><u>197,357</u></u>	<u><u>283,122</u></u>	<u><u>480,479</u></u>	<u><u>306,263</u></u>

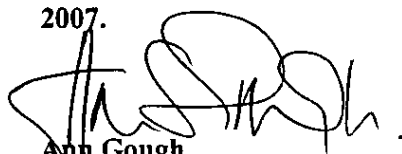
# WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

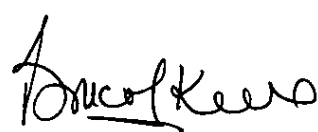
## Balance Sheet at 31 March 2007

			2007	2006
	Note	£	£	£
<b>Fixed assets</b>				
Tangible assets	9		4,322	10,151
<b>Current assets</b>				
Debtors	10	146,080	74,590	
COIF charities deposit fund		161,220	105,316	
Cash at bank and in hand		312,270	210,256	
		<u>619,570</u>	<u>390,162</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(143,413)</u>	<u>(94,050)</u>	
<b>Net Current assets</b>			<u>476,157</u>	<u>296,112</u>
<b>Net assets</b>	12		<u>480,479</u>	<u>306,263</u>
<b>Reserves</b>				
<b>Unrestricted funds:</b>				
General unrestricted fund			125,566	47,100
Designated funds			71,791	55,780
<b>Restricted funds:</b>				
Health and Social Care			(3,721)	(1,029)
Include ME TOO			-	6,164
HIV/AIDS			2,289	2,289
Women's Development			-	7,082
Regeneration Zone			20,284	20,284
Mental Health Empowerment			42,248	25,347
Quality Project			-	797
Quality Initiative			10,000	10,000
Change UP 1			-	5,920
Fundability			20,270	24,470
Compact			4,591	-
Right People Right Skills			155,391	96,103
Black Country Women's			-	5,956
Development Network/Inspire				
Drug Services User Involvement			14,421	-
Cultural Change			2,640	-
Community Accountant			14,709	-
<b>Total funds</b>	13		<u>480,479</u>	<u>306,263</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Trustees and authorised for issue on 07 Sep 2007.

  
Ann Gough  
Chair of Board of Trustees

  
Bruce Kirk  
Chair of Finance Sub-Committee

# **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

## **Notes forming part of the financial statements for the year ended 31 March 2007**

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### **1 Liability of Members**

WVSC is a company limited by guarantee. It does not have a share capital and the liability of each member is limited to the guarantee given by that member, which shall not exceed £1. There are no beneficial interests and under the terms of its Memorandum and Articles of Association any surplus can only be applied towards the promotion of WVSC's objectives, and no dividend or other form of distribution can be paid to its members.

### **2 Accounting policies**

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities, and comply with best practice as recommended by the Statement of Recommended Practice "Accounting and reporting by charities" (SORP 2005), issued by the Charity Commission.

#### Cash flow statement

WVSC has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cashflow statement on the grounds that it is a 'small' company under the Companies Act 1985.

#### Pension costs

Certain employees are members of the West Midlands Pension Fund ("WMPF"). The pension cost charge in the financial statements represents contributions due to this scheme in respect of earnings during the year, which are based on recommendations by the fund actuary.

The disclosures required by FRS 17 have not been included in the financial statements. WVSC is in a multi-employer defined benefit pension scheme, WMPF, and FRS 17 requires such organisations to identify its share of the pension scheme's assets and liabilities. However, within SORP 2005 this is only to be achieved if it can be done so on a "consistent or reasonable basis". WVSC believes that an actuarial valuation would not be a reasonable use of public funds, and the Trustee directors therefore have decided not to provide this financial information on the balance sheet in the financial statements. WVSC manages contributions to its pension fund in line with the WMPF valuation recommendations, pension costs for all of the projects are fully budgeted for, and WVSC receives an actuarial valuation on the WMPF scheme on a three yearly basis. Issues around risk management of the pension fund are continually assessed through work with staff at WMPF, and at Board of Trustees' Meetings.

#### Tangible fixed assets and depreciation

Tangible fixed assets are normally capitalised where the cost exceeds £1,000, and are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight line basis over its expected useful life, as follows:

Office equipment	-	over 5 years
Computers	-	over 4 years

If a project's lifetime is less than the lifetime of the Fixed Asset, then the remaining net book value is written off at the end of the life of the project.

#### Grants payable

Grants payable to local organisations are recognised in the financial statements when paid.

## WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (continued)

### 2 Accounting policies (continued)

#### Incoming Resources

Revenue grants are received from Wolverhampton City Council and other organisations in order to finance WVSC's activities and are accounted for in the income and expenditure account on an accruals basis

Where revenue grants are received which have donor-imposed restrictions as to the timing of the related expenditure, any income received in advance is deferred.

Where revenue grants are received, which do not have donor imposed restrictions as to the timing of the related expenditure, the income is accounted for when received.

Incoming resources from the provision of legal, payroll and other core services are accounted for when earned

Investment income is included when receivable

#### Resources expended

Resources expended are recognised in the period in which they are incurred and include attributable VAT, which cannot be recovered

Resources expended on charitable activities consist of costs incurred in the direct delivery of services, and the support costs which are allocated to each of these areas of service provision

#### Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred

#### Fund accounting

Unrestricted funds comprise grants and other income resources receivable or generated for the objects of the charity, without further specific purpose and are available as general funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs

Designated funds are unrestricted funds earmarked by the trustee directors out of unrestricted general funds for specific purposes or projects

3 Grants payable	2007		2006	
	Number	£	Number	£
Grants to institutions				
Women's Development Fund	-	-	2	1,000
HIV/AIDS	-	-	1	779
General activities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	3	1,779
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There are some remaining restricted funds for grants to be given out to VCS organisations but the level of those funds leads to a very low activity in this area

# **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

**Notes forming part of the financial statements for the year ended 31 March 2007 (continued)**

<b>4 Voluntary Income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2007</b>	<b>Total 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Core Grant – Wolverhampton City Council	110,936	-	110,936	107,890
Churchill Office Solutions	1,000	-	1,000	-
	<u>111,936</u>	<u>-</u>	<u>111,936</u>	<u>107,890</u>

<b>5 Incoming Resources from Charitable Activities</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2007</b>	<b>Total 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wolverhampton City Council	-	30,229	30,229	3,500
Capacity Builders	-	31,565	31,565	2,372
GOWM	-	-	-	20,000
Wolverhampton Partnership (LAA)	-	118,892	118,892	-
Neighbourhood Renewal Fund / RPO	-	10,379	10,379	40,000
ERDF	-	19,842	19,842	33,313
Lloyds TSB	-	10,000	10,000	6,667
Wolverhampton PCT	-	39,563	39,563	-
PCT/WCC combined	-	187,644	187,644	188,611
British Institute of Learning Disability (BILD)	-	21,012	21,012	18,693
Learning and Skills Council (LSC)	-	344,601	344,601	237,254
NCVO	-	9,771	9,771	-
Sandwell Skills Partnership	-	29,628	29,628	-
Big Lottery Fund	-	-	-	69,743
Other Grant Income	-	11,777	11,777	15,910
Non Grant Income	89,095	854	89,949	119,551
	<u>89,095</u>	<u>865,757</u>	<u>954,852</u>	<u>755,614</u>



# WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (continued)

## 6 Breakdown of Costs of charitable activity

	Staff Costs	Other Charitable Costs	Management Charges	Support Costs	Total 2007	Total 2006
	£	£	£	£	£	£
Core Activities	78,095	29,149	-	4716	111,960	118,405
Direct Services	7,681	-	(51,187)	-	(43,506)	(35,818)
Specialist Services		18,248	5,983	13,783	38,014	83,599
<b>TOTAL UNRESTRICTED</b>	<b>85,776</b>	<b>47,397</b>	<b>(45,204)</b>	<b>18,499</b>	<b>106,468</b>	<b>166,186</b>
Specialist Services	68,594	-	1,513	3,530	73,637	29,041
Health and Social Care	54,479	3,596	3,876	8,945	70,896	69,589
Include ME TOO	546	9,465	-	-	10,011	11,127
HIV/AIDS	-	-	-	-	-	779
Women's Development	-	7,197	-	-	7,197	1,680
BCWDN/Inspire	-	5,956	-	-	5,956	86,565
Regeneration Zone	-	-	-	-	-	11,129
Regeneration Policy Officer	6,406	1,905	625	1,443	10,379	43,666
Mental Health Empowerment	83,657	7,535	7,496	17,313	116,001	113,288
Quality Project-ERDF	9,204	886	702	1,790	12,582	14,642
Learning Disability Advocacy	14,206	2,782	1,252	2,886	21,126	18,693
ChangeUP 1	-	5,920	-	-	5,920	14,080
ChangeUP 2	19,896	1,685	3,028	6,956	31,565	2,372
Compact	17,936	2,259	1,500	4,250	25,945	3,500
Fundability	-	4,200	-	-	4,200	4,200
Right People Right Skills	155,845	119,135	20,881	31,120	326,981	141,471
Drug Services User Involvement	4,546	3,926	1,333	1,875	11,680	-
Cultural Change	16,335	3,189	1,124	2,597	23,245	-
Community Accountant	16,694	7,933	1,874	4,328	30,829	-
Policy and Info Officer		862			862	-
<b>TOTAL RESTRICTED</b>	<b>468,344</b>	<b>188,431</b>	<b>45,204</b>	<b>87,033</b>	<b>789,012</b>	<b>565,822</b>
<b>TOTAL EXPENDITURE</b>	<b>554,120</b>	<b>235,828</b>	<b>-</b>	<b>105,532</b>	<b>895,480</b>	<b>732,008</b>

# WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (continued)

7 Support cost breakdown by activity	2007 £	2006 £
Staff costs	27,146	15,648
Property	22,618	26,888
Office	38,522	31,688
Depreciation	4,948	4,703
Professional fees	12,298	8,653
Total	105,532	87,580

## Basis of allocation of costs:

**Staff costs:** These are the staffing costs associated with work undertaken in the specific project areas as listed in note 6. Most staff work wholly in one project area, and if the time is shared between projects, then the staffing cost is allocated accordingly. The staffing cost comprises gross salary plus oncosts, including pension costs.

**Other charitable costs:** These are costs within the projects, incurred in the pursuance of the aims and objectives of each project. These costs are specific only to the project which they are allocated to. Charitable costs specified within "Core" are those costs which, in addition to core staffing costs, are covered by the Core funding grant.

**Management and Support Costs:** these are costs which are incurred in the running of the organisation. They would include for example, core staff costs, rent, insurance, heat and light, IT support, repairs and maintenance, and any other costs which are associated with core staff executing their tasks. These costs are calculated on a budgeted basis, and allocated as per numbers of full-time staff members in each project. Any support costs which are not recovered in the actual year, are seen as a core service support cost.

## 7a Breakdown of Governance Costs

	2007 £	2006 £
Audit and related fees	4,906	7,403
AGM	1,894	1,210
	6,800	8,613

## 8 Net incoming/outgoing resources before transfers

	2007 £	2006 £
<b>This is stated after charging:</b>		
Rentals under operating leases		
- land and buildings	26,250	25,000
Auditors' remuneration	4,818	6,404
Auditors' remuneration – non audit services	88	999
Depreciation – owned fixed assets	5,829	6,644

# **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

Notes forming part of the financial statements for the year ended 31 March 2007 *(continued)*

## **9 Tangible Fixed Assets**

	Computers and Office Equipment £
<b>Cost</b>	
31 March 2006	80,579
Additions	-
<b>31 March 2007</b>	<b>80,579</b>
<b>Depreciation</b>	
31 March 2006	70,428
Charge for the year	5,829
<b>31 March 2007</b>	<b>76,257</b>
<b>Net book value</b>	
<b>31 March 2007</b>	<b>4,322</b>
 31 March 2006	 10,151

## **10 Debtors**

	2007 £	2006 £
Trade debtors	134,929	65,854
Payments in advance	11,151	8,736
	<u>146,080</u>	<u>74,590</u>

## **11 Creditors: amounts falling due within one year**

	2007 £	2006 £
Deferred income	56,488	55,943
Other creditors	48,745	20,484
Accruals	38,180	17,623
	<u>143,413</u>	<u>94,050</u>

## **11a Analysis of Deferred Income**

	B/f 01.04	Released	Received	C/f 31.03.07
	£	£	£	£
Deferred Income	55,943	52,610	53,155	56,488
	<u>55,943</u>	<u>52,610</u>	<u>53,155</u>	<u>56,488</u>

# WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (continued)

12 Analysis of Net Assets Between Funds	Unrestricted	Restricted	Total 2007
	£	£	£
Tangible Fixed Assets	4,322	-	4,322
Current Assets	208,574	410,996	619,570
Current Liabilities	(15,539)	(127,874)	(143,413)
Net Assets at 31 March 2007	197,357	283,122	480,479

## 13 Reserves and Reconciliation of Movements in Funds

	31 March 2006 £	Transfers £	Incoming Resources £	Outgoing Resources £	31 March 2007 £
<b>Unrestricted funds:</b>					
General unrestricted fund	47,100	(20,725)	208,470	(109,279)	125,566
Designated funds incl operation liabilities	55,780	20,000	-	(3,989)	71,791
<b>Restricted funds:</b>					
Specialist Services	-	-	73,637	(73,637)	-
Health and Social Care	(1,029)	-	68,204	(70,896)	(3,721)
Include ME TOO	6,164	-	3,847	(10,011)	-
HIV/AIDS	2,289	-	-	-	2,289
Women's Development Fund	7,082	-	115	(7,197)	-
Regeneration Zone	20,284	-	-	-	20,284
Regeneration Policy Officer	-	-	10,379	(10,379)	-
Mental Health Empowerment	25,347	-	132,902	(116,001)	42,248
Quality Project-ERDF	797	611	11,174	(12,582)	-
Quality Initiative	10,000	-	-	-	10,000
Learning Disability - Advocacy	-	114	21,012	(21,126)	-
ChangeUp 1	5,920	-	-	(5,920)	-
ChangeUp 2	-	-	31,565	(31,565)	-
Fundability	24,470	-	-	(4,200)	20,270
Compact	-	-	30,536	(25,945)	4,591
Right People, Right Skills	96,103	-	386,269	(326,981)	155,391
Drug Services User Involvement	-	-	26,101	(11,680)	14,421
Black Country Women's Development (Inspire)	5,956	-	-	(5,956)	-
Cultural Change	-	-	25,885	(23,245)	2,640
Community Accountant	-	-	45,538	(30,829)	14,709
Policy and Information Officer	-	-	862	(862)	-
	<u>306,263</u>	<u>-</u>	<u>1,076,496</u>	<u>(902,280)</u>	<u>480,479</u>

## WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

### Notes forming part of the financial statements for the year ended 31 March 2007 (*continued*)

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The restricted funds of WVSC comprise the above unexpended balances on donations and grants given for specific purposes. The balance of these funds is represented by current asset debtors, held as cash, or invested in the Charities Deposit Fund and appear on the balance sheet under these headings. Details of how funds have arisen are included in the trustee directors' report.

**Purpose of Funds** The information provided below is a brief summary on each fund. More information is detailed in the Trustees' Report.

#### Unrestricted Funds

**General Unrestricted Fund:** To fund the activities of the unrestricted elements of Core Activities – ie championing the sector, specialist services provision which is not funded by grant income, payroll, reprographics, newsletter, website, and infrastructure support services to projects/restricted fund activities within WVSC. For more detail on unrestricted funds reserves, please see note on reserves policy pg 14.

**Designated Funds:** A designated fund was set up in 2005 as part of an overall reserves policy that provides funds for operational liabilities. A further £5,780 was transferred to the fund in 2005-06 to cover some "one off" items of office improvements. Two further transfers were done in 2006-07: £5000 for the website set up costs, and £15,000 for further refurbishment of the office premises.

#### Restricted Funds:

**Specialist Services** to provide a wide range of advice and information on legal matters to frontline organisations.

**Health and Social Care:** to promote inclusion and participation in decision making forums and structures. Include Me Too to support BME families with children who have disabilities, to influence and access services.

**HIV/AIDS:** to support activities aimed at tackling HIV and AIDS.

**Women's Development Fund:** to provide grants to Women's organisations across the Black Country.

**Regeneration Zone Fund:** to engage the Voluntary and Community Sector with the Regeneration Zone.

**Regeneration Policy Officer** to support the sector with information and training of regeneration issues.

**Mental Health Empowerment:** to support and enable the involvement of adults with mental health needs in the planning, influencing and monitoring of services.

**Quality Project-ERDF:** to provide advice and support to frontline organisations on Quality Systems.

**Quality Initiative:** to pursue quality initiatives proposed by groups within the sector.

**ChangeUp 1.** Initial "Set up" funding for Black Country wide approach to developing the capacity of VCS infrastructure organisations.

**ChangeUp 2** as above but specifically to fund a worker of the ChangeUp staff team.

**Fundability:** to support training activity for the VCS in Wolverhampton.

**Compact:** to establish rules of engagement between the statutory and voluntary and community sectors.

**Right People, Right Skills** to act as a conduit between the VCS and training providers, ensuring high quality delivery of workforce development activities, specifically in training and the introduction of quality processes.

## WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (*continued*)

**Drug Services User Involvement** to work with users and ex users of drug services, to support them in influencing the provision of drug treatment services

**Black Country Women's Development (Inspire):** to ensure that the views of women are represented on local regeneration agenda partnerships and organisations

**Cultural Change:** to support cultural change across the sectors required to respond to the changing environment

**Community Accountant:** to support VCS organisations in managing and reporting on finances

**Policy and Information Officer:** to support VCS reps at strategic and operational forums through provision of information on relevant policy and research

### 14 Information regarding members of the Board of Trustee Directors

The names of persons who are members of the Board are given in the Report of the Board of Trustee Directors

#### Remuneration:

Under the terms of the Memorandum of Association no member of the Board nor any connected person shall receive any remuneration from WVSC. Board members are offered reimbursement for travel expenses. The amounts involved are negligible.

### 15 Particulars of Employees

The average number of persons employed by WVSC during the year was

	2007	2006
General activities	25	24

The aggregate payroll cost of these persons was as follows

	2007 £	2006 £
Wages and salaries	483,872	486,143
Social security costs	39,107	36,708
Other pension costs	27,155	17,822
	<u>550,134</u>	<u>540,673</u>

No employees earned more than £60,000 during the year

### 16 Revenue Grants from Wolverhampton City Council under Section 137 Local Government Act 1988 relating to Core and Compact funding

	2007 £	2006 £
Salaries	103,712	83,344
Other expenses	33,169	24,546
	<u>136,881</u>	<u>107,890</u>

## WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2007 (*continued*)

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### 17 Pensions

The employees of the charity are members of the West Midlands Metropolitan Authorities Pension Fund, which is a multi-employer scheme. The Fund is financed by contributions paid by both employees and the charity, and by earnings received on investments. The scheme is a Defined Benefits Scheme.

In accordance with the Actuarial Valuation as at 31 March 2004, and subsequent advice from the Actuaries, contributions to the Scheme from the employees are payable at the rate of 6% of pensionable pay, and employer's contributions are payable at a rate of 8.7% of pensionable pay plus 6.1% pensionable pay for 25 years to meet the funding objective.

It was assumed that the Administering Authority will continue to invest a significant proportion of the assets of the Fund in UK and overseas equities, and that these will produce a future investment return that exceeds the current yield available on bonds.

The market value of the scheme's assets was £4,738,768 and the actuarial value of those assets represented 74% of the benefits that had accrued to members.

### 18 Taxation

WVSC is not liable to tax on any of its income because of its charitable status.

### 19 Operating Lease Commitments

At 31 March 2007 WVSC had annual commitments under non-cancellable operating leases as follows.

	2007		2006	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date:				
In one to two years	-			7,041
In two to five years	-	8,987	-	-
After five years	42,000	-	25,000	-
	<u>42,000</u>	<u>8,987</u>	<u>25,000</u>	<u>7,041</u>

WVSC has an option to terminate the lease on the upstairs unit on giving six months notice, and on the downstairs unit on giving three months notice.  
The landlord can terminate the lease in the event of default by WVSC.

## **WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**

**Notes forming part of the financial statements for the year ended 31 March 2007 *(continued)***

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### **20 Related Party Transactions**

Ian Darch, the Chief Executive of WVSC, is a Member of the Local Strategic Partnership and during the year also sat on the sub group of that partnership. The partnership is responsible for advising the accountable body, the City Council, on the use of Local Area Agreement monies. WVSC received income of £129,271 from this source during 2006/07.

Ian Darch sat on the Board and Executive group of the Wolverhampton Network Consortium for part of the year (resigned Dec 2006). During the year a grant of £35,265 was received from the Network Consortium. This grant was made up of £17,761 ERDF funding (previous year £33,313) and £17,504 through ChangeUP/Capacity Builders (previous year £7,505) for which WNC is the accountable body.

WVSC also received income from other charitable organisations in which members of the Board of Trustees are officers. None of these organisations contributed income of more than £5,000 during the year.