

**COMPANIES HOUSE
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Company number 2288239

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

Registered charity number 700910

**Report of the Board of Trustees
and Financial Statements**

Year Ended

31 March 2009

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COMPANIES HOUSE

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

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WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Legal and Administrative Information

Charity Name

Wolverhampton Voluntary Sector Council (WVSC)

Board of Trustees

Ann Gough	(Chair)
Susan Pascoe	(Vice-Chair)
James Smith	
Kath Rees	
Fazia Bano	
Bruce Kirk	
Graham Myerscough	
Janet Clarke Lewis	
Colin Knott	
Patricia Kemp	
Richard Hubbard	
Nigel Taylor	
Geoffrey Hopkins	
June Hemsley	
Balver Bisla	
Mohammad Nazir	
Mr Sistachar Sarcar	
Mrs Gloridene Gordon	

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/Jo Legge	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
Unity Trust Bank, Nine Brindleyplace, Birmingham, B1 2HB

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2009

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;
- Observe the methods and principles in the Charities SORP;
- 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 the Companies Act 1985. 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.

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

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), Health and Safety 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.

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Governing Document

WVSC is a charitable company limited by guarantee, incorporated on 19th August 1988 and registered as a Charity on 24th 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 Trustees

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.

The Trustees of WVSC are selected primarily from the organisation’s wider membership of voluntary and community groups and organisations carrying out their work predominantly in the City of Wolverhampton. In 2006/07 in response to the increasingly complex environment within which we operate a review of governance arrangements took place and a new category of individual members was established, in order to extend the potential pool of skills at board level. Individual members must be sympathetic to the mission of WVSC and the aim of this new category is to bring specific skills to the organisation. 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 “Third” sector.

The Trustees 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.

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 that was last updated in 2007/08.

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 review of our strategic direction led by the Chief Executive took place during the year. One outcome of this has been agreement to appoint a Deputy Chief Executive (Operations) to work alongside the Deputy Chief Executive (Finance)

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

with an internal focus, allowing the Chief Executive to play a more outward looking role on behalf of the sector. At the current time, a skills audit of board members is underway.

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. At the year end the board was operating at full capacity.

A sub-committee of the board (known as the Executive Committee and consisting of up to four Trustees) 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 as follows:

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 and

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Community Accountant who report to the Deputy Chief Executive - Finance. 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.

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, "environmentally friendly" practices, and others as the need arises.

Partner Organisations

WVSC is a member of the National Association of Community and Voluntary Sector Organisations (NACVS), 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 and these can be summarised as follows:

Members: As a membership organisation, WVSC has a role in working with its 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.

Third Sector Partnership: WVSC lead on the Voluntary Sector Forum which is a key part of the Third Sector Partnership and has representation on the LSP (Local Strategic Partnership) and other partnership boards. The forum, which consists of over 30 voluntary organisations, has become key to ensuring a strong and clear voice for the sector on a range of strategic and policy issues.

Umbrella Organisations: A growing focus on a "joined up", partnership based approach to delivery, illustrated by the Local Area Agreement and the adoption of NI7 (an environment for a thriving third sector) by the city brings with it a more pressing requirement to work in

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2009 (*continued*)

partnership with organisations and networks that have a role in supporting the sector. This includes thematic networks (BME, Disability, Young People etc) and Local Neighbourhood Partnerships. Unfortunately Wolverhampton Network Consortium withdrew from an agreed merger at a very late stage during the year and this has undermined our aim of a strengthened and united third sector in the City. We will continue to work in partnership as appropriate and during 2009/10 we will be revisiting our approach to achieving a stronger sector through building on these partnership arrangements.

In addition, the ChangeUP initiative developed by Government requires WVSC to work with other infrastructure and umbrella organisations across the sub region in order to ensure 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 (LSP), working closely with statutory sector colleagues in overseeing the delivery of the Sustainable Communities strategy 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), working with partners to develop a commissioning framework for the delivery of services in Wolverhampton, 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. In addition, WVSC has a robust and effective credit control system in place that serves to ease cash flow difficulties and minimise bad debts.

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 two largest funders are the City Council and the PCT who fund the organisation through a range of different funding streams. For example, our Core Grant and our LAA funding both originate from the City Council but are treated as separate funding streams.

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Efforts to spread risk during the year have borne some fruit with LINK and the Pathfinder in particular, and these efforts will continue into 2009/10.

In order to mitigate what is an ongoing area of risk, we continue to work with funders to develop clarity and agreement with regard to the outcomes of our work and its positive impact, ultimately, on the emerging Sustainable Communities Strategy. The reserves policy referred to elsewhere in this report will provide some protection against short-term changes in funding. In addition the Compact provides the means to challenge any withdrawal or reduction in funding without good cause or at short notice.

During the year we have reviewed our banking arrangements, and the board have agreed that we meet our banking needs through the Unity Trust Bank. This review was undertaken prior to and during the recent banking crisis. Consideration was given to ethical banking principles, safe management of funds, and increased need for specific payment systems, and personalised customer care. WVSC retains a deposit fund with COIF thereby spreading the risk to funds placed by the banking institutions themselves.

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. Notice periods for the Chief Executive and Deputy are three months and for other managers it is two months; this does reduce the risk of key posts being left unfilled for any significant time. Staff turnover in the year has been low (approx 6%).

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Sickness levels increased between 2007/08 and the current year from an average of 4 days per full time staff member to 7 days. On the other hand there is no significant evidence of an upward trend as yet and trustees do not believe that WVSC has in any way a sickness culture. Our sickness levels compare favourably to for example the City Council where rates over the past two years have ranged from 10-11 days per staff member.

Objectives and Activities

WVSC works to ensure that the City of Wolverhampton is served by a "Third" Sector that is effective and vibrant, working within an environment in which it can thrive. 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:

- Building VCS (Voluntary and Community Sector) 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, and advice on legal, funding, financial and other issues.
- 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 bodies 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.
- 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, refugees and asylum seekers, and offering volunteering opportunities through the Volunteer Service.
- 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. This involves supporting members of groups and organisations to be involved in strategic meetings or to contribute to public consultations, for example through the LINK and Pathfinder.

There is a significant overlap in these outcomes and the work required in achieving 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.

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Trustees Annual Report for the year ended 31 March 2009 (continued)

Public Benefit

Having a thriving third sector is a key aim of central government so that the groups and organisations that make up the sector are able to play a full role in delivering services, including public services. The development of participative democracy is also a key strand in current political thinking, ensuring that the views and feelings of citizens inform the development and delivery of policy and delivery.

Specifically in Wolverhampton we have adopted NI7: an environment for a thriving third sector as one of our LAA priorities. To this end the partnership is keen to ensure that it:

- A) Supports the development of capacity within the sector to position it to play a fuller part in the delivery of services
- B) Enables meaningful participation in the work of the partners and the partnership both City-wide and at the neighbourhood level

The identifiable benefits, delivered both through supporting groups and organisations, and directly to “Experts by experience”, fall broadly within these two areas.

Principle 1: Identifiable benefit:

1a) Key benefits are:

- A strong and effective “third” sector in the city
- A clear voice for citizens, specifically those who use public services to influence and improve those services and the policies that inform them.

1b) Related to our aims:

By supporting voluntary organisations to operate more effectively and by providing a clear voice for citizens, both through groups and as individuals our benefits are directly related to our aims.

1c) Balanced against harm: With reference to each benefit outlined above:

- A strong and effective third sector improves the quality of provision and choice to those who commission services. There are many services both public and otherwise that are delivered better by the third sector for a number of reasons including flexibility and reach, this is accepted and supported by all political parties.
- A clear voice for citizens helps to ensure that resources are used to best meet the needs of beneficiaries. It is possible that giving a disproportionate voice to one particular interest or point of view could be detrimental and thus WVSC works hard to ensure that a balanced picture informed by a wide range of voices is presented through the activities outlined below.

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Principle 2: Benefit to the public

2a) Beneficiaries appropriate to the aims: Beneficiaries are “voluntary organisations” and the community within Wolverhampton and the surrounding areas. The vast majority of our work has been within Wolverhampton with these beneficiaries. Some cross boundary work has taken place within the Black Country and, less so, the West Midlands. In all this work Wolverhampton organisations and communities have benefited and remained our focus.

2b) Not restricted by geography or ability to pay: The majority of our services are free at the point of delivery. During the year some charges were made for more complex legal advice, typically this type of advice is to larger organisations with the means to cover costs and all charges are well below the market rate with the first four hours free to customers. No organisation within the area of benefit was denied a service because of inability to pay. Modest charges are also made for some training sessions and support materials. Again we are aware of no organisations being denied a service because of lack of ability to pay and will continue to make every effort to ensure that this remains the case.

2c) People in poverty must not be excluded: No charges are made to individuals for WVSC services and thus people in poverty are not excluded. A flexible approach to delivery including visiting groups and individuals, providing information in written and electronic forms etc also ensures that no-one is excluded as a result of poverty.

Some charges are made to groups and organisations but the nature of these, for example complex employment advice, means that those benefiting are highly likely to have access to resources to pay. Ultimately WVSC would not fail to provide crucial support to eligible groups or organisations if resources to pay were not available. Where charges for training sessions are made these are very modest (£10 - £20) and aimed primarily at organisations.

2d) Private benefit must be incidental: WVSC gives occasional grants to groups to help them achieve their charitable aims – these are not used to provide any personal benefit to group members. WVSC provides for expenses to be paid to volunteers including board members. These expenses are to cover the costs to the individuals of engaging in forums or carrying out specific tasks.

Volunteers

Following the closure of the Volunteer Bureau, WVSC established an initial temporary Volunteer Service. Funding was awarded for the latter half of the year and has been carried forward for the whole of 2009/10, while commissioning processes are put in place. The service is proving to be a significant success with some 15 volunteers a week (750 per annum) registering and the vast majority being successfully placed, predominantly with third sector providers. It is anticipated that during 2009/10 the service will be expanded, with capacity to develop stronger links between volunteers and training and employment opportunities.

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

More broadly 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. The Compact code of practice on volunteering supports and helps ensure recognition of the value of volunteers across the City.

Within WVSC we have a number of volunteers, specifically engaged in our user involvement work. These volunteers have contracts, receive regular supervision, access training opportunities and are subject to the policies and procedures of WVSC in the same way as paid staff.

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:

Unrestricted funds

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. The work is funded through a combination of earned income and LAA resource. All LAA targets have been surpassed during the year.

The significant reliance on fee income makes accurate budget setting challenging and thus the deficit of £3,010 is within a reasonable range and not an area of major concern. In this year the deficit will, as in previous years, be covered from unrestricted reserves. The continued 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.

Payroll: Income from this service has remained fairly constant although identifying new clients has proved very difficult. This is a valuable and cost effective service for those who use it and we will continue to review it with the aim of expanding its customer base. It continues to produce a net income to WVSC.

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

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

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Newsletter: The "Wolverhampton Voice", a quarterly magazine produced jointly by WVSC and Wolverhampton Network Consortium, 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: WVSC now has a fully functioning website. The expenditure of £2,500 relates to the development of and subscription to a Wolverhampton funding portal. "Hits" and enquiries have steadily increased during the year and this service will continue to be available. In future years the cost will be £1,500 as the site has now been fully developed.

During the year a deficit on our core activity or central costs was £461, under 0.5%, a very modest deficit reflecting accurate budgeting. The deficit in specialist services and the cost of the website, offset against unrestricted income of £49,698 has led to a total unrestricted surplus of £43,727.

Restricted funds

Health and Well Being: Jointly funded by the PCT and City Council, this project worked during the year to promote inclusion and participation in decision making forums and structures relating to Health and Social Care. A large part of the work involves consultation and the production of regular information including a comprehensive e- bulletin. 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. The project has now been awarded a five year contract until 2013. The surplus of £3,826 has resulted primarily from savings from a temporarily unfilled post and a reduction in the hours of the senior worker, additional capacity to support the production of the e-bulletin means that the latter saving will not be repeated next year.

HIV/AIDS: This fund was established to support activities aimed at tackling HIV and AIDS. This small reserve has been passported to the Terrence Higgins Trust to use in support of their work in HIV/AIDS.

Regeneration Zone: In line with plans laid out in last years' report part of this fund has been used in the year to support the third sector. This has included work with 40 organisations by way of an organisational health check and in developing our Website as a source of policy information to the wider sector. It is anticipated that this fund will continue to be used to provide support to our sector in this way.

Mental Health Empowerment Project: Funded jointly by the PCT and City Council 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. Staff changes during the year have produced some challenges but the staff team now seems more settled and delivering to a good standard. The

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Trustees Annual Report for the year ended 31 March 2009 (*continued*)

significant decrease in reserves follows on from last year's large increase. Funding from health promotion grants was paid in advance 07-08, to be spent over three years, and the deficit reflects this year's spend.

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, funded during the year via Wolverhampton Network Consortium using LAA resources, has continued to develop self advocacy groups but has begun to take a more strategic role, specifically through engagement with the Learning Disability Partnership Board. The project has spent to budget during the year.

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 third sector in Wolverhampton. The deficit showing on the accounts for the year under report of £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 £13,270.

Compact: The Compact is key to establishing the rules of engagement between the statutory and "Third" sectors. This work is funded jointly by the City Council and through the LAA. During the year all targets have been met. Work has continued in raising awareness of the Compact across the sectors, a key activity in bringing about the cultural change that the Compact signals. Our compact was runner up at the national compact awards and Wolverhampton is recognised as delivering best practice in terms of partnership working. There was a relatively modest underspend of £1,736 on the City Council funds; this has been added to restricted reserves in part to safeguard this important work against funding uncertainty beyond 2009/10. WVSC also acts as the accountable body for the Regional Compact group, who authorise the expenditure. The underspend against this resource will be utilised in 2009/10.

RP-RS Training and Skills: During the year the Right People – Right Skills project came to an end following the successful delivery of its LSC (Learning and Skills Council) contracts. Expenditure in the year relates to residual salary costs from RP-RS and the retention of one staff member to explore opportunities to involve the third sector more fully in the training and skills agenda. This culminated in a focus on Volunteering and WVSC developing a Volunteering Service following the demise of the Volunteer Centre. This is referred to in more detail below.

Volunteer Service: Towards the end of the year WVSC established a new Volunteer Service following the demise of the Wolverhampton Volunteer Centre. This was initially on a very short term basis but funding previously allocated to the volunteer centre has been passed across

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Trustees Annual Report for the year ended 31 March 2009 (continued)

to us and led to the volunteer service being developed on a more long term footing. The service is part funded by the City Council with the shortfall being covered by WVSC's resources. This is felt to be an appropriate use of income generated through service delivery and can be sustained during 2009/10 while alternative long term funding can be identified. The performance of the volunteer service has been good with high levels of activity and successful matching of volunteers to placement providers.

Drug Service User Involvement Project: This project was established in February 2007 and has gained a significant reputation for the scope and quality of its work. 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). During the year additional funding was made available to recruit a part time worker to further develop "Substance" a well regarded magazine produced by the project. Another notable success during the year was the production of a DVD, funded through the National Treatment Agency and made available across the City and beyond. The surplus for the year of £15,130 results from changeovers in the staff team, which meant that staffing and running costs were lower than budget. The reserves balance, now totalling £31,020 will be used in the delivery of the project.

Outcomes: We run workshops and provide one to one intensive support to organisations to help them adopt an outcomes based approach to what they do, in other words, supporting them focusing on the difference that they make. This support is also offered to commissioners in the hope that common understanding and language will be adopted. During the year, this work, funded through the LAA, under performed in terms of support to commissioners from whom take up has been slow, but over-performed in the level of support to third sector organisations. The overspend of £540 shown in the SOFA relates to the depreciation of a capital purchase in 2007/08, which is a cost which will continue to go through the reserves until the item is fully depreciated.

Community Accountant: Many of the difficulties facing small and medium sized organisations in particular, are caused by a lack of financial systems and knowledge, and this work has been developed as a response to this. Funded as part of the LAA, the work has continued to develop during the year and all targets in terms of take up of the service have been exceeded. Much of the work has been carried out on a one to one basis although training in small groups is increasingly being offered. With a view to moving towards greater sustainability for this work a small amount of charged work was carried out during the year, this has been added to reserves in order to allow for greater flexibility in delivery in future years

Championing the Sector: WVSC plays a championing role for the "Third" 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 (LAA), Commissioning Framework, Children's Trusts, the Compact, the Third Sector Partnership, the Local Strategic Partnership and other partnership boards etc. This work has involved significant input from the

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Chair and from the Chief Executive, who is part funded through the Local Area Agreement to do this work.

Commissioning: During the year we successfully applied for funding from Capacity Builders in order to support the progress of commissioning in the City, ensuring that the third sector is given the opportunity to tender for the delivery of public services within an agreed commissioning framework and has the capacity to do so successfully. Late decision making from funders meant that not all the funding was claimed. It is anticipated that this will be rectified in 2009/10 when a full claim will be made.

Refurbishment: Capital funding was awarded by Capacity Builders to allow us to refurbish our ground floor reception area, adding computers to allow visitors to access the internet and our funding portal. The award was almost fully spent in the year. The carried forward funds of £15,515, are mainly provision for future depreciation expenditure, and also include a small amount for remaining spend, as agreed with the funder.

Pathfinder: During the year WVSC became the accountable body for the Black Country Pathfinder, funded through Government Office West Midlands. This is a nationally recognised process for empowering people to be able to positively influence their communities. Participants engage in an intensive programme of support, skills development and confidence building. Dudley CVS and Take Part are our key partners in this work. A modest underspend of £1,602 will be returned to funders, which is a very positive result, as most of the project spend and outcomes had to be achieved in the final quarter of the year.

LINK: During the year WVSC were successful, in partnership with the CAB, in our tender to host the Wolverhampton LINK. The LINK provides a clear voice for groups and individuals in Wolverhampton, on Health and Social Care policy, service and delivery. Progress during the year culminated in a successful launch and the development of an independent Board for the LINK, chosen from a rapidly expanding membership. The surplus of £56,033 is primarily as a result of late confirmation of the tender award. It has been agreed with the funder that this resource can be carried forward to be used in the coming years in the development and operation of the LINK.

Overall Achievements and Performance

In financial terms income fell on last year by a net figure of £168,650. This reflects a year that has seen some areas of activity reduce, most significantly Right People - Right Skills contributing some £371K of income last year (including significant payments to training organisations) and no funds 08-09, with the conclusion of the ESF programmes. In addition an MHE promotion grant of £57K was paid in advance last year for the period 2008-2010, and the resources required to develop the compact were reduced once codes of practice had been completed. On the other hand significant areas of growth include LINK (£150K), the Pathfinder (£75K) and the volunteer centre (£19K). The reduction in income reflects the usual

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2009 (*continued*)

ebb and flow of funding that is indicative of the sector in which we operate, and trustees do not see this as an area of concern for the year under report.

This year has seen further progress in the range of services that we provide. The establishment of our Volunteer Service is significant, and is already providing a more comprehensive service than the now closed volunteer centre. We see this as an area of growth with close links between volunteering, training and employment. These links will be explored during 2009/10.

The Wolverhampton LINK is another important project and is already proving to be a significant addition to the development of participative democracy in the City, supporting people to develop a clear voice over the services that affect them. The pathfinder has grown out of work that we have been delivering with partners, and is an exciting piece of work that may grow over the months and years ahead.

During the year the withdrawal of Wolverhampton Network Consortium from our proposed merger was a disappointment, particularly in relation to the very late stage at which it occurred. At the point of withdrawal TUPE Interviews had been completed, EGM arranged and significant resources had been expended. All costs from mid December onwards have been claimed from WNC in line with the joint venture agreement signed by both parties. Despite this setback we continue to strive for improvement and development of our services. On a larger scale we have established the Wolverhampton LINK, developed the Black Country Pathfinder, and taken responsibility for the Volunteer Service and continued to develop our internal processes and systems. Moreover the addition of our website has improved communication to our customers, and the funding portal has significantly increased access to a range of funding opportunities. More effective use of our shopfront and improved reception services have also worked to raise and improve our profile.

During the year all areas of work have met and in many cases exceeded their targets, and going into 2009/10 funding is relatively secure, certainly for 09-10 and, in many cases, beyond. We have a robust infrastructure with effective systems and processes. Lines of accountability and responsibilities are clear and we are increasingly developing our methods of performance management. We have a strong committed staff team, a strengthened board at full capacity, we are in robust financial health, and are generally regarded in the words of one external observer as "really getting our house in order".

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 2009 the free reserves (General Unrestricted Reserves less Fixed Assets) amounted to £233,956. Budgeted expenditure less management charges for 2009-10 is £1,031,338 which gives 3 months' expenditure of £257,835. The present level of reserves therefore falls within the policy range. Our reserves policy will be reviewed over the coming months and aligned more closely to actual risk.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2009 (*continued*)

Plans for the Future

The past year has seen a growth in activities that involve working directly with communities, specifically through the Wolverhampton LINK and the Black Country pathfinder. These are areas in which we are developing a strong reputation with requests for us to work further afield to spread good practice. In these instances each major opportunity will be considered by the board in light of our objectives.

The City has seen some separation between voluntary and community sectors. The proposed merger with WNC was designed to address this, sadly the aftermath has, in the short term at least, seen this split widen. In the year ahead we will be working hard to establish a more co-ordinated approach to supporting the whole of the third sector and our work with communities will serve to support this.

Work has commenced on an action plan for a thriving third sector, led by the LSP and it is anticipated that this plan will lead to a more co-ordinated generic "offer" to the third sector in the City.

Our capacity building work is well established and stringent efforts are underway to ensure that we provide as joined up a service as possible. An illustration of this will be the development of "What's New" from a specialist services newsletter to one encompassing WVSC's wider capacity building work.

The adoption of a commissioning framework for the City is an opportunity for our sector and we will be working hard to ensure that the external environment is one that provides maximum opportunity to the sector to deliver services and that the internal one is populated by well run, effective organisations who are "contract ready" if this is a route they wish to take.

Key to a strong voice for our sector is the third sector partnership. The voluntary forum has grown in size and influence over the year but its separateness from the weaker community forum is a cause for concern. It is envisaged that this partnership will be given responsibility for overseeing the delivery of N17 and reporting on the impact of resources attached to this. Particularly in light of this a more united approach is crucial and we will be working to bring this about over the coming year.

Having established a new Volunteer Service in the City following the demise of the Volunteer Centre, we see volunteering, particularly as a route into training and employment, as an area of growth during the year.

Finally the years ahead are very likely to see cuts in public spending and this will place added pressure on local authorities and their partners to maximise value for money. In this landscape there is a real opportunity for the third sector to increase its role in developing closer correlation between the wishes and needs of service users and the delivery of services. This is likely to include more services being delivered by our sector.

Auditors

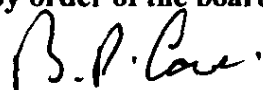
Messrs Muras Baker Jones have signified their willingness to continue in office as auditors should the next Annual General Meeting so decide.

Board of Trustees


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

Ann Gough	(Chair)
Susan Pascoe	(Vice Chair)
Mirza Baig	(left 15/10/08)
James Smith	
Kath Rees	
Fazia Bano	
Bruce Kirk	
Graham Myerscough	
Janet Clarke Lewis	
Colin Knott	
Pat Kemp	
Richard Hubbard	
Nigel Taylor	(joined 15/10/08)
Geoffrey Hopkins	(joined 15/10/08)
June Hemsley	(joined 15/10/08)
Balver Bisla	(joined 15/10/08)
Mohammed Nazir	(joined 15/10/08)
Mr Sistachar Sarcar	(joined 15/10/08)
Mrs Gloridene Gordon	(joined 15/10/08)

By order of the board of Trustees



B P Cove
Secretary
11 Sep 2009



Su Pascoe
Vice Chair
11 Sep 2009

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

We have audited the Financial Statements of Wolverhampton Voluntary Sector Council for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These Financial Statements have been prepared under the Accounting Policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 its Trustees as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and Auditors

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

The Trustees have elected for the Financial Statements not to be audited in accordance with Part VII of the Companies Act 1985. Accordingly we have been appointed as Auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the Financial Statements, if the charity has not kept proper accounting records, the Financial Statements do not accord with those records, or if we have not received all the information and explanations we require for our audit.

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 misstatements, 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 TRUSTEES 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 charity's affairs as at 31 March 2009 and of its incoming resources and application of resources including its income and expenditure, for the year then ended, and
- comply with section 226A of the Companies Act 1985.

Muras Baker Jones

MURAS BAKER JONES
CHARTERED ACCOUNTANTS
And Registered Auditors

11 September 2009

Regent House
Bath Avenue
Wolverhampton
WV1 4EG

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Statement of Financial Activities for the year ended 31 March 2009
(Incorporating an Income and Expenditure Account)

	Note	Unrestricted funds 2009 £	Restricted funds 2009 £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES					
Incoming Resources from generated funds					
Voluntary Income	4	116,043	-	116,043	114,023
Investment Income		17,993	-	17,993	13,916
Incoming Resources from charitable activities	5	99,577	852,045	951,622	1,126,369
TOTAL INCOMING RESOURCES		<u>233,613</u>	<u>852,045</u>	<u>1,085,658</u>	<u>1,254,308</u>
RESOURCES EXPENDED					
Charitable Activities	6	164,575	838,419	1,002,994	1,130,101
Governance Costs	7	25,311	-	25,311	7,391
TOTAL RESOURCES EXPENDED		<u>189,886</u>	<u>838,419</u>	<u>1,028,305</u>	<u>1,137,492</u>
NET INCOMING RESOURCES BEFORE TRANSFERS	8	43,727	13,626	57,353	116,816
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS	14	<u>43,727</u>	<u>13,626</u>	<u>57,353</u>	<u>116,816</u>
Total funds brought forward		198,954	398,341	597,295	480,479
TOTAL FUNDS AT 31 March 2009		<u>242,681</u>	<u>411,967</u>	<u>654,648</u>	<u>597,295</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2009

			2009		2008
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		42,135		22,042
Current assets					
Debtors	10	101,365		127,227	
COIF and Unity deposit funds		322,483		318,287	
Cash at bank and in hand		259,668		243,116	
		<u>683,516</u>		<u>688,630</u>	
Creditors: amounts falling due within one year	11	(71,003)		(113,377)	
Net Current assets			<u>612,513</u>		<u>575,253</u>
Net assets	13		<u>654,648</u>		<u>597,295</u>
Reserves					
Unrestricted funds:					
General unrestricted fund			233,484		137,257
Designated funds			9,197		61,697
Restricted funds:					
Health and Well Being/HSC			22,236		18,410
HIV/AIDS			-		2,289
Regeneration Zone			8,657		20,284
Mental Health Empowerment			83,641		100,379
Quality Initiative			10,000		10,000
Fundability			13,270		17,470
Compact			23,431		21,695
GOWM Regional Compact			2,100		-
Right People Right Skills			108,392		156,666
Drug Services User Involvement			31,020		15,890
Cultural Change/Outcomes			12,645		13,185
Community Accountant			25,028		22,073
Capacity Builders Refurb			15,515		-
LINK			56,032		-
Total funds	14		<u>654,648</u>		<u>597,295</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2009 (continued)

The Directors are satisfied that the company was entitled to exemption from audit under subsection (1) of section 249A of the Companies Act 1985 and that members have not required an audit in accordance with subsection (2) of section 249B.

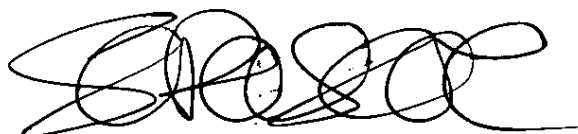
However, an audit is required in accordance with section 43 of the Charities Act 1993.

The Directors acknowledge their responsibilities for:

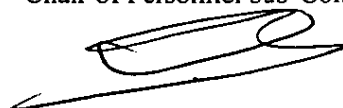
- i) Ensuring that the company keeps accounting records which comply with section 221; and
- ii) Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its income and expenditure for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of this Act relating to the financial statements, so far as applicable to the charitable company.

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 2007). The financial statements were approved by the Board of Trustees and authorised for issue on 11 September 2009.

Susan Pascoe
Vice-Chair of Board of Trustees



Colin Knott
Chair of Personnel Sub-Committee



WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2009

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 (effective January 2007), 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 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:

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2009 (continued)

Office equipment	- over 5 years
Computers	- over 4 years
Refurbishment on lease	- over time remaining on the premises lease agreement

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.

The accounting for depreciation leads to a discrepancy between some financial statements submitted to funders, and the fund activity shown in the statutory accounts of WVSC. If a project has a funder which requires that a capital purchase is to be presented as a cash item rather than as a capitalised item, as required by Charity Accounting rules, then a discrepancy emerges between the amount claimed from the funder, and the fund accounting in the statutory accounts. Where this is the case, that particular discrepancy is referred to in the Trustees Report.

Grants payable

Grants payable to local organisations are recognised in the financial statements when there is a commitment to make a payment.

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, where it can not 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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**Notes forming part of the financial statements for the year ended 31 March 2009 (continued)**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 incoming 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 Trustees out of unrestricted general funds for specific purposes or projects.

3 Grants payable		2009		2008
	Number	£	Number	£
Grants to Self-Help Groups – Mental Health Empowerment	8	10,007	9	8,891
Grants re Mental Health Promotion	9	21,192	-	-
Grant to Terence Higgins Trust from HIV Reserve	1	2,289	-	-
	18	33,488	9	8,891

4 Voluntary Income	Unrestricted	Restricted	Total 2009	Total 2008
	£	£	£	£
Core Grant – Wolverhampton City Council	116,043	-	116,043	114,023
	116,043	-	116,043	114,023

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2009 *(continued)*

5 Incoming Resources from	Unrestricted	Restricted	Total	Total
Charitable Activities	2009	2009	2009	2008
	£	£	£	£
Awards For All	-	-	-	9,000
Capacity Builders – Capital Grant	-	33,458	33,458	44,162
Charities Evaluation Services	-	-	-	4,000
Community Development Foundation	-	75,000	75,000	-
Government Office West Midlands	-	10,000	10,000	-
Learning and Skills Council (LSC)	-	-	-	333,329
Lloyds TSB	-	-	-	3,333
National Treatment Agency (NTA)	-	10,000	10,000	-
Sandwell Skills Partnership	-	-	-	4,450
Walsall CCE	-	-	-	22,871
Wolverhampton City Council (WCC)	-	204,795	204,795	34,416
Wolverhampton Partnership (LAA)	-	206,000	206,000	199,272
Wolverhampton Partnership (LANA)	-	22,033	22,033	51,549
Wolverhampton PCT	-	89,141	89,141	70,714
WCC/PCT combined	-	190,960	190,960	261,046
Other Grant Income	2,235	2,645	4,880	1,255
Non Grant Income	97,342	8,013	105,355	86,972
	<u>99,577</u>	<u>852,045</u>	<u>951,622</u>	<u>1,126,369</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Notes forming part of the financial statements for the year ended 31 March 2009 (continued)
6 Breakdown of Costs of Charitable Activity

	Staff Costs	Other Charitable Costs	Support Costs	Total 2009	Total 2008
	£	£	£	£	£
Core Activities	93,724	28,734	(15,759)	106,699	182,367
Direct Services	5,592	-	-	5,592	(46,568)
Specialist Services	26,280	12,788	13,216	52,284	55,017
TOTAL UNRESTRICTED	125,596	41,522	(2,543)	164,575	190,816
Specialist Services	46,064	2,352	13,216	61,632	62,602
Health and Well Being /HWB	34,720	7,094	11,452	53,266	56,938
HIV/Aids	-	2,289	-	2,289	-
Regeneration Zone	11,626	-	-	11,626	-
Mental Health Empowerment	78,926	46,800	26,432	152,158	134,525
Advocacy	15,034	2,595	4,404	22,033	20,230
Fundability	-	4,200	-	4,200	2,800
ChangeUP 2	-	-	-	-	44,162
Compact	37,582	16,214	13,040	66,836	86,553
Regional Compact - GOWM	-	7,900	-	7,900	-
RPRS/Skills & Training	34,359	6,307	7,607	48,273	369,318
Volunteer Services	12,703	791	5,506	19,000	-
Drug Services User Involvement	42,538	24,143	17,636	84,317	64,995
Outcomes/Cult Change	13,756	5,756	3,524	23,036	14,060
Community Accountant	39,116	7,511	13,092	59,719	50,921
Championing the Sector	24,096	2,094	8,810	35,000	-
Policy and Info Officer	-	-	-	-	32,181
Commissioning	10,829	786	1,201	12,816	-
Capacity Builders – Refurb	-	5,127	-	5,127	-
Pathfinder	10,307	62,711	1,982	75,000	-
LINK	53,545	20,670	19,976	94,191	-
TOTAL RESTRICTED	465,201	225,340	147,878	838,419	939,285
TOTAL EXPENDITURE	590,797	266,862	145,335	1,002,994	1,130,101

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**Notes forming part of the financial statements for the year ended 31 March 2009 (continued)**

6a Support Cost Breakdown by activity	2009	2008
	£	£
Staff costs	30,162	33,695
Property	53,104	64,523
Office	50,681	43,888
Depreciation	990	3,753
Professional fees	10,398	13,814
	<hr/>	<hr/>
Total	145,335	159,673
	<hr/>	<hr/>

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 their staff costs are allocated to that project. If their time is shared between projects, then the staffing cost is split accordingly. The staffing cost comprises gross salary plus on costs, including pension costs where applicable.

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 core running costs which are funded by the Core 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, which are not covered by core funding.

These costs are calculated on a budget 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 an additional core service support cost.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2009 *(continued)***7 Breakdown of Governance Costs**

	2009	2008
	£	£
Audit and related fees	5,539	5,760
AGM	1,700	1,631
Merger Costs	18,072	-
	<u>25,311</u>	<u>7,391</u>

The Merger costs relate to the attempted Merger with Wolverhampton Network Consortium – further information on this is in the Report of the Board of Trustees. Of these costs, £8,295 has been recharged to the Network Consortium in line with the joint venture agreement.

8 Net incoming/outgoing resources before transfers

	2009	2008
	£	£
This is stated after charging:		
Rentals under operating leases	42,000	42,000
Auditors' remuneration	5,539	5,760
Auditors' remuneration – non audit services	-	-
Depreciation: owned fixed assets	6,922	8,962
	<u>54,461</u>	<u>56,722</u>

9 Tangible Fixed Assets

	Refurb on lease	Computers and Office Equipt	Total
	£	£	£
Cost			
31 March 2008	-	107,261	107,261
Additions	16,666	10,349	27,015
31 March 2009	<u>16,666</u>	<u>117,610</u>	<u>134,276</u>
Depreciation			
31 March 2008	-	85,219	85,219
Charge for the year	175	6,747	6,922
31 March 2009	<u>175</u>	<u>91,966</u>	<u>92,141</u>
Net book value			
31 March 2009	<u>16,491</u>	<u>25,644</u>	<u>42,135</u>
31 March 2008	-	22,042	22,042

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2009 *(continued)***10 Debtors**

	2009	2008
	£	£
Trade debtors	85,646	110,741
Payments in advance	15,719	16,486
	<u>101,365</u>	<u>127,227</u>

11 Creditors: amounts falling due within one year

	2009	2008
	£	£
Deferred income	-	30,489
Other creditors	43,095	16,377
Accruals	27,908	66,511
	<u>71,003</u>	<u>113,377</u>

12	Analysis of Deferred Income	B/f 01.04.08	Released	Received	C/f 31.03.09
		£	£	£	£
	Deferred Income	30,489	30,489	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Analysis of Net Assets Between Funds

	Unrestricted	Restricted	Total 2009
	£	£	£
Tangible Fixed Assets	8,725	33,410	42,135
Current Assets	257,152	426,364	683,516
Current Liabilities	(23,196)	(47,807)	(71,003)
	<u> </u>	<u> </u>	<u> </u>
Net Assets at 31 March 2009	242,681	411,967	654,648
	<u> </u>	<u> </u>	<u> </u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2009 (*continued*)**14 Reserves and Reconciliation of Movements in Funds**

	31 March 2008 £	Transfers £	Incoming Resources £	Outgoing Resources £	31 March 2009 £
Unrestricted funds:					
General unrestricted fund	137,257	50,000	233,613	187,386	233,484
Designated funds incl operation liabilities	61,697	(50,000)	-	2,500	9,197
Restricted funds:					
Specialist Services	-	-	61,632	61,632	-
Health and Well Being (HSC)	18,410	-	57,092	53,266	22,236
HIV/AIDS	2,289	-	-	2,289	-
Regeneration Zone	20,284	-	-	11,627	8,657
Mental Health Empowerment	100,379	-	135,418	152,157	83,640
Learning Disability – Advocacy	-	-	22,033	22,033	-
Quality Initiative	10,000	-	-	-	10,000
Fundability	17,470	-	-	4,200	13,270
Compact	21,695	-	68,571	66,835	23,431
GOWM – Regional Compact	-	-	10,000	7,900	2,100
RPRS – Skills and Training	156,666	-	-	48,274	108,392
Volunteer Services	-	-	19,000	19,000	-
Drug Services User Involvement	15,890	-	99,447	84,317	31,020
Outcomes/Cultural Change	13,185	-	22,496	23,036	12,645
Community Accountant	22,073	-	62,674	59,719	25,028
Championing the Sector	-	-	35,000	35,000	-
Commissioning	-	-	12,816	12,816	-
Capacity Builders Refurb	-	-	20,642	5,127	15,515
Pathfinder	-	-	75,000	75,000	-
LINK	-	-	150,224	94,191	56,033
	597,295	-	1,085,658	1,028,305	654,648

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2009 (continued)

The Restricted funds of WVSC comprise the above unexpended balances on grants, given for specific purposes, and income from primary purpose trading within those funds. The balance of these funds is represented by current asset debtors, held as cash, or invested in the Charities Deposit Fund and Unity Trist Fixed Term and Deposit Account. These appear on the balance sheet under these headings. Details of how funds have arisen are included in the Trustees' 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 – partnership working across the sector and with statutory sector, overall capacity building and advocacy within the sector, Specialist Services provision which is not funded by grant income, payroll, reprographics, newsletter, website, and general infrastructure support services. All the above are also provided to projects/restricted fund activities within WVSC. For more detail on unrestricted funds reserves, please see note on reserves policy.

Designated Funds: A designated fund of £50,000 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. The £50,000 set aside for operational liabilities is no longer required. Accordingly, it has been released to unrestricted reserves. A small balance remains on the website designated fund, and £8,217 on the office refurbishment designated fund. These remain available for further spend in these areas.

RESTRICTED FUNDS

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

Health and Well Being (previously Health and Social Care): to promote inclusion and participation in decision making forums and structures.

HIV/AIDS: to support activities aimed at tackling HIV and AIDS. A final grant was made on this fund leaving it with a nil reserve.

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

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

Learning Disability – Advocacy: to work with groups of adults who have learning disabilities, to facilitate increased self-advocacy.

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

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2009 (continued)

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

GOWM – Regional Compact: accountable body for Regional Compact Working Group

RPRS/Training and Skills: Exploring opportunities for the third sector to maximise its role in the training and skills agenda. This culminated in developing a new volunteer service for the City – see below

Volunteer Services: a service providing potential volunteers and organisations who would like to engage with volunteers, the chance to come together.

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.

Outcomes/Cultural Change: to provide training to third sector groups to enable them to adopt a planning and evaluation framework based on outcomes.

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

Championing the Sector: to work with groups in the voluntary and community sectors, and public sector partners, to ensure the voice of the third sector is heard.

Commissioning: to work with partner organisations and commissioners, to develop a commissioning framework for the city, within which the third sector has a major role.

Capacity Builders Refurb: a one-off grant to improve accessibility of WVSC's premises and resources -- accessibility to the building, to WVSC's services and information.

Pathfinder: a programme of enabling local people to become active citizens and take on leadership in their communities.

LINK: to enable the citizens of Wolverhampton to have a say about Health and Social Care Services.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**Notes forming part of the financial statements for the year ended 31 March 2009 (continued)****15 Information regarding members of the Board of Trustees**

The names of persons who are members of the Board are given in the Report of the Board of Trustees.

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.

16 Particulars of Employees

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

	2009	2008
General activities	<u>28</u>	<u>27</u>

The aggregate payroll cost of these persons was as follows:

	2009	2008
	£	£
Wages and salaries	523,385	533,868
Social security costs	40,106	42,060
Other pension costs	35,637	35,301
	<u>599,128</u>	<u>611,229</u>

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

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

	2009	2008
	£	£
Salaries	111,636	108,766
Other expenses	39,993	35,673
	<u>151,629</u>	<u>144,439</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**Notes forming part of the financial statements for the year ended 31 March 2009 (continued)****18 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 2007, and subsequent advice from the Actuaries, contributions to the Scheme from the employees are payable at a variable rate according to graded rates of pensionable pay, and employer's contributions are payable at a rate of 10.1% of pensionable pay plus 4.3% 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 £7,513 million and the actuarial value of those assets represented 74% of the benefits that had accrued to members.

19 Taxation

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

20 Operating Lease Commitments

At 31 March 2009 WVSC had annual commitments under non-cancellable operating leases as follows:

	2009		2008	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date:				
In one to two years	-	-	-	1,037
In two to five years	-	12,159	-	7,997
After five years	42,000	-	42,000	-
	<u>42,000</u>	<u>12,159</u>	<u>42,000</u>	<u>9,034</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 2009 *(continued)*

21 Related Party Transactions

Ian Darch, the Chief Executive of WVSC, is a Member of the Local Strategic 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 £206,000 from this source during 2008/09.

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.

22 Contingent Liabilities

A claim has been made against the charity by a member of staff for damages arising from an injury sustained on the charity's premises.

The Trustees are of the opinion that, if the claim were to be proven, the potential liability, except for a small excess would be met by the charity's insurer. Accordingly, the Trustees consider it inappropriate to make any provision in the financial statements in respect of this claim.