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Company number 2288239

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

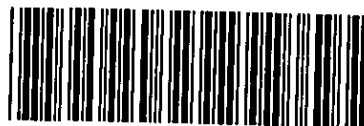
Registered charity number 700910

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

Year Ended

31 March 2013

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WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

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WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Legal and Administrative Information

2012-13

Charity Name

Wolverhampton Voluntary Sector Council (WVSC)

Board of Trustees

Kath Rees (Chair)
James Smith
Bruce Kirk
Janet Clarke-Lewis
Gulam Haider Mayuddin Ellam
Geoffrey Hopkins
Mohammad Nazir
Mirza Baig
Inez Dacres
Steve Clay
Pamela Cole-Hudson
Michael Moreton

Secretary and registered office

Ian Darch, 16 Temple Street, Wolverhampton, WV2 4AN

Senior Management Team

Ian Darch
Saffi Price
Jane Gledhill

Chief Executive
Deputy Chief Executive - Operations
Deputy Chief Executive - Finance

Company number

2288239

Registered charity number

700910

Auditors

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

Financial Statements

The Trustees, who are also Directors of Wolverhampton Voluntary Sector Council ("WVSC") for the purposes of company law, are responsible 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).

Company law 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 and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year

In preparing these 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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 delivery of its objectives.

Much of the day-to-day management, including in the areas of finance and office management, is delegated to the Deputy Chief Executive (Operations) and Deputy Chief Executive (Finance) (part time) who is supported by a full time Reception Manager, and Finance Officer (part time), plus other administrative staff. This "core" team provide support to each department within WVSC and to the organisation as a whole

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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. In the current year 1 of the 12 strong board is an "individual" member.

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 either retire or 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 which was updated 2010/11.

In addition, 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 2009/10. This led to a review of the Charity's mission and objectives which are outlined later in this report under "Objectives and Activities."

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Organisation Structure

WVSC has a management committee of up to 20 members who meet quarterly and are responsible, with the Chief Executive, for the strategic direction of the Charity. In addition, the City Council nominate a Councillor with observer status on the board. At the year end the board had 8 vacancies. In light of the changing nature of WVSCs work and the emergence of new structures, such as People In Partnership and Black Country Together, developed in response to the changing environment, a review of board membership and overall governance structures will be carried out during 2013/14 and proposed changes will be considered by an EGM during September.

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.

Four 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 HR policies and procedures are in place

The Pension Committee considers more detailed pension issues and makes recommendations to the board as appropriate

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 review of this structure will be carried out during 2013/14 as outlined above

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.

Senior Managers. The Chief Executive and the two Deputy Chief Executives meet on a regular basis to establish that the organisation is delivering its mission, that it is doing so in a consistent and effective manner, and to make any operational adjustments that may be required

Section Heads: Managers from each area of work meet bi-monthly with the Senior Management Team, in order to oversee the effective delivery of the organisation's outcomes, to maintain a consistent approach across the organisation, to consider issues affecting the work of the organisation and the wider sector and to share information

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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 the two Deputy CEOs and two Section Heads. The Deputy CEO (Operations) and CEO share the management of section heads. The Chief Executive receives supervision from the Chair of the Board.

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 for Voluntary Community Action (NAVCA), the national umbrella organisation. It is also a member of The National Council for Voluntary Organisations (NCVO). In 2011 we achieved the NAVCA quality mark demonstrating competence in the 5 core CVS activities.

As an umbrella organisation for the sector, WVSC has a major strategic role in Wolverhampton and, in line with Government policy, works with partners locally, sub-regionally and nationally 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.

Consortia Partners Consortia working both within the VCS and across sectors is growing and developing as an accepted approach for achieving better outcomes for local people. WVSC have been leading the way in the development of consortia both across the City and beyond.

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In particular

- WVSC is the lead body for a consortium of third sector organisations working to transform the way support is provided to the Sector through developing and supporting networks of organisations to share resources, drive down costs, access support and increase sustainability
- WVSC is also the lead body for a consortium of third sector organisations whose aim is to improve the lives of primary aged children through an intensive programme of mentoring and specific support to families
- People In Partnership (PIP) has been established as a vehicle for delivering services, in particular, public services. WVSC has been funded by the Council, BIG and Ministry of Justice in developing PIP
- Black Country Together (BCT) has been developed by the four CVS's in order to deliver services on a sub regional level. WVSC is one of the four members of the organisation. BCT has recently been awarded a contract worth £2M, from the Arts council (subject to Business Plan)

Third Sector Partnership WVSC leads on the Third Sector Partnership (TSP), which consists of representation from Voluntary and Community groups and organisations and has become key to ensuring a strong and clear voice for the sector on a range of strategic and policy issues

Statutory Sector The Chief Executive of WVSC is a member of the Local Strategic Partnership (LSP), working closely with statutory sector colleagues in reviewing and overseeing the delivery of Wolverhampton's City Strategy and acting as vice chair to the Council's Director of Children and Adult Services on one of the three LSP sub groups. Within the strategic structures WVSC, primarily through the Chief Executive, also represents the sector on a wide range of other forums. At the current time these include

Adult Delivery Board
Childrens Trust Board
Public Health Delivery Board
The Employment and skills board
Community Cohesion Forum
Black Country Consortium
Royal Wolverhampton Hospitals Trust

In addition, the board and senior staff of WVSC work closely with statutory sector colleagues on a range of strategic matters at the current time

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These include:

The City Strategy Refresh
The Council Budget and Savings programme
Asset Transfer
The Social Value Act
A major funding application (Better Start)
The cross sector funding group
The sports strategy

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. In the year under report the Board agreed to a significant use of unrestricted reserves to underpin delivery, in the event this was not required and as a result of successful funding applications and careful financial management a modest surplus of c£3K was achieved. For the year ahead the use of reserves up to £54K have been authorised – this is less than over the past 2 years and this use of reserves is being carefully monitored. Opportunities are already materialising which are likely to lead to greater sustainability. It is envisaged that the detailed financial plan for 14/15 and beyond will reflect a profile which no longer has significant dependence on reserves.

External Financial Risks: WVSC's income is generated through grants, contracts and direct, paid for, services.

As reported last year, cuts in public expenditure placed the majority of our funding at an increased level of risk. In order to mitigate this risk we have adopted a number of different approaches

- Development of People in Partnership, a vehicle through which consortia of VCO's can deliver services within Wolverhampton and now supported financially via BIG and the Ministry of Defence
- Playing a role in establishing Black Country Together, a vehicle working on a Black Country basis, with the four CVS's as "members" – this has already been successful in securing funding from the Arts Council

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- Taking on the accountable body role for establishment of consortia to secure funds from alternative sources such as the recent emergence of "Talent Match" - a significant lottery project for which, if the application process is successful, WVSC would be the accountable body

These approaches allow us to deliver our mission in different ways. For example, through building in supply chain support and development, we are providing a capacity building role, and by the effective delivery of services we are "Championing the VCS", helping groups within it to maintain and expand their "offer" to customers.

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 temporary staffing restructure has led to the responsibility of internal policies and procedures being assigned to Deputy Chief Executive (Operations). The Personnel Committee are ultimately responsible for overseeing this area of work and 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. That said, the reduction in the core team as a result of funding reductions does place greater pressure on those that remain and is therefore accompanied by some increase in risk and a need to ensure clear processes for covering operational issues.

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 that would be able to cover beyond the short term. With an established structure for sharing knowledge through, for example, the Section Heads Meetings, 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 Deputies 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.

During the year under report there has been only one major staffing issue relating to extremely high levels of absence, primarily through sickness, of one staff member. This culminated in the staff member being dismissed under the organisations capability policy but re-instated following appeal - additional support has been provided to the worker and their team in order to first help ensure a successful transition back to work and then to ensure that outcomes agreed with funders are successfully delivered.

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Partly as a result of experiences with this staff member the Personnel Committee has reviewed and adjusted our disciplinary and dismissal policies.

Objectives and Activities

WVSC works to maintain and develop a thriving and diverse Voluntary and Community Sector and achieves this through the following objectives.

- **To work with groups and organisations, enabling them to provide high quality support and services:** This involves addressing the organisational development needs of community groups, organisations and networks who wish to undertake community action or deliver local services. Throughout 2012/13 this area of work continued to be delivered on significantly reduced resources and as a result has focused primarily on funding advice and more general support using the Firm Foundations toolkit as the structure for doing so. The vision of how this service will be delivered in the future is likely to change, with the government indicating that there will be no further central funding for this type of work. The current Transforming Local Infrastructure project is aimed at transforming the way support is provided to the Sector through developing 'clusters' of Voluntary and Community organisations to share resources, drive down costs, access support and increase sustainability, as well as the establishment of a 'pro bono support network' of private organisations to support Voluntary and Community organisations in areas such as human resources and legal issues. This project, led by WVSC, is reported by funders as being "one of the top performers nationally".
- The development of PIP, reported above, provides an additional support route for those organisations with an aspiration to deliver public services, and in the year ahead (2013/14) resources through the Ministry of Justice will allow us to provide this additional support. PIP has four founder shareholders (WVSC, WOW, YOW and BME United), each nominating 2 directors. In addition the Council nominate one director. Shareholding will be reviewed in the year ahead (2013 – 14) in order to increase the strength and success of PIP.
- The departure of our Community Accountant and their replacement by a less qualified, part time worker took place during the year. The new staff member is performing well and providing a service that is highly valued by customers.
- **To support groups of people to influence the decision making processes that matter to them:** This includes 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/Health Watch. This work also aids community cohesion and develops social capital by 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 who have a mental illness, people who use drug treatment services, and offering volunteering opportunities through the Volunteer Service.

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- **To promote and champion Wolverhampton's VCS locally, regionally and nationally:** As the city's key umbrella organisation for the sector, we have an important role in ensuring that the environment in which we work is one in which our sector can thrive. Led by the Chief Executive, with significant input from other staff and the board, this involves engagement across the City and beyond with key decision makers, ensuring that the sector's role and potential role is fully recognised and valued, ensuring that the sector is in a position to benefit from new initiatives and to be kept abreast of important changes, and is given the opportunity to influence strategy and policy. Examples of this are the Transforming Local Infrastructure and Improving Futures consortia, a model which we consider key in future service delivery, helping to ensure diversity is maintained within the sector and VCO's are able to respond to larger contracts
- **To develop opportunities for people to engage in volunteering:** Volunteering is a key tenet of the emerging environment both as a means of improving the skills and confidence of local people to support moves into employment and as a vehicle for avoiding inactivity and the associated mental and physical effect on an individual's wellbeing. This objective continues to be successfully delivered via Wolverhampton Volunteers, part of WVSC, with 100 new people per month carrying out volunteering work and nearly 220 Voluntary and Community Organisations offering placements. Our work with "experts by experience", and our Improving Futures project, also provides volunteering opportunities

All the outcomes that we have developed with commissioners are in furtherance of one or more of these objectives

A detailed breakdown of the activities that deliver these objectives is provided later in this report under "Achievement, performance and financial review"

Public Benefit

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. Recasting the relationship between people and government; citizens empowered, opportunities extended and communities coming together to make lives better are key to current political thinking. In this context WVSC

- 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 partners 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

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Principle 1: Identifiable benefits:

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, reach and cost effectiveness. This is accepted and supported by all political parties at the time of writing and is particularly supported by the Coalition Government.
- 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. For example the LINK/Health Watch has over 750 members who can exert influence over health and social care issues in the City.

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. People in Partnership provides a vehicle for supporting voluntary organisations to work together to deliver public services and provides some capacity building to help them do so. Any surpluses generated will be used to the benefit of the local community.

2b) Not restricted by geography or ability to pay. WVSC's basic services remain free at the point of delivery although with the reduced availability of funding we do make charges for work beyond the core offer, this is particularly the case with regard to support in the area of finance management. No organisation within the area of benefit was denied a service because of inability to pay and we will continue to make every effort to maintain this approach.

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2c) People in poverty must not be excluded: No charges are made to individuals for WVSC's 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

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

WVSC operates the city's Volunteer Service (Wolverhampton Volunteers). The service places in excess of 1000 volunteers a year with some 250 registered organisations offering placements. The service also supports volunteers into training through the provision of a brokering service. In the year under report in excess of 1000 individuals were provided with either external training or training opportunities through the placement provider. Also within the year we have continued to be commissioned by local Children's Centres to provide the training aspect of our Volunteer Service, supporting people within the very heart of our community to develop confidence, skills and experience.

Wolverhampton Volunteers has achieved the quality standard developed by Volunteer England which focuses on the six core functions of a volunteer centre which was awarded the Volunteer Centre Quality Accreditation (VCQA). They have also been heavily involved in the Investing in Volunteers pilot – a quality standard being developed and tested for organisations involving volunteers.

The centre is increasingly becoming a hub for volunteering across the whole city, helping to ensure a co-ordinated and standardised approach based on the principles of good practice, supported through the Compact Code of Practice on Volunteering, further ensuring recognition of the value of volunteers within Wolverhampton. This includes regular support sessions with placement providers to improve their knowledge and practice, and outreach where capacity allows.

Within WVSC we work alongside a number of volunteers, specifically engaged in our user involvement work. Organisationally we have developed a robust Volunteering Policy and accompanying Volunteer Agreement which outlines expectations and levels of support including regular supervision and access to training opportunities. All volunteers are subject to the policies and procedures of WVSC in the same way as paid staff.

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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

Capacity Building:

As reported last year, in light of the changing external landscape both financially and politically, the decision was taken to consolidate our services and adopt a more holistic approach to supporting voluntary and community organisations. The focus has been on providing advice and guidance, and supporting staff within organisations to develop the relevant skills in order to ensure their organisation is fit for purpose, more sustainable and able to engage in the new commissioning processes if required. This approach, which is delivered within the framework of the Firm Foundations Toolkit, is now embedded and accepted amongst groups within the City and continues to be in high demand. Last year (2011/12) Capacity Building services were supported by reserves of £111,842. In the year under report a high quality service was provided without the need to utilise reserves, testament to the successful transition planned during 2011/12.

Primary Purpose Trading and other sales:

Reductions in grant funding continue and income from sales has reduced to £28,231 from £40,360. In light of reductions in funding and sales the board spent time considering the role of WVSC in the future and how we can continue to deliver our mission within this very challenging financial landscape.

We have continued to deliver Infrastructure Support to VCS organisations in the City, providing generic support. Our community Accountant left during the year and has been replaced by a combined approach incorporating: a part time capacity building worker with a focus on finance and the development of relationships with a small number of accountancy firms who will offer cost effective year end examinations in partnership with WVSC.

We have also utilised PIP as a vehicle for collaborative working in the delivery of services. This approach has been supported by BIG through the Transforming Local Infrastructure Project which was part match funded by the City Council and by the National Offender Management Service (NOMS) to whom a successful application for in kind support and then funding of £50K was made. The funding is to recruit a project lead and capacity building worker to develop the capacity of the VCS supply chain. PIP is the named lead for a large lottery application and will be tendering to deliver services to ex-offenders during the year ahead.

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In addition WVSC has been selected as the lead for Talent Match, a lottery funded project with an "indicative allocation" of £9.5M to work with young people who have been NEET for a year and live in the Black Country. If successful the project will utilise the VCS supply chain in the delivery of a range of intervention and will build on the capacity building work carried out through NOMS.

VC-Connect Database:

The development of a Customer Information Management System has enabled us to communicate much more effectively with the sector, target organisations with relevant information, champion the sector more effectively by having a clearer understanding of the size and shape of the sector as well provide us with performance management information. During the year the database has been extending, incorporating data from a number of partners – it is now accepted as the database of the sector for the sector – access rights for partners are in the advanced stages of being agreed.

Newsletter:

Utilising the comprehensive database (above) a weekly electronic newsletter focusing on funding, training, information sharing and vacancies has been developed. It is very well received by Voluntary and Community Organisations.

Restricted funds

Capacity Builders Refurbishment Capital funding was awarded by Capacity Builders in both 2008/09 and 2009/10. This allowed us to re-design the layout of our premises, moving reception to the ground floor to significantly improve access (2009/10), having previously added computers to allow visitors to access the internet and our funding portal. The expenditure on both funds relates to depreciation in the year with the carried forward funds (£7,974 and £10,284) designated against depreciation in future years.

Compact: The Compact is central to establishing the rules of engagement between the Statutory and Third Sectors. Resources to deliver this work are limited with a small amount sitting within the Third Sector Partnership Budget, that said the work led by WVSC has embedded the compact firmly into the culture of relationships between Public and VCS.

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 fund was not utilised in the year under report as other resources were available. These alternative funds will not be available during 2013/14 and it is anticipated that this resource will be used to support WVSC's training programme in the near future. The fund currently stands at £7,378.

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Health and Well Being: Jointly funded by the PCT and City Council, this project has continued to carry out consultations, produce regular e-bulletins, distribute specific funding information and deliver tailored capacity building to service providers through Outcomes work. The most significant aspect of work undertaken by the project; promoting inclusion and participating in decision making forums and structures relating to Health and Social Care is becoming increasingly important with the development of the new and emerging structures, Health and Wellbeing Board, Clinical Commissioning Group, Local Authority based Public Health. The contract remained in place until the end of March 2013 at which point, as anticipated last year, funding was withdrawn – this does leave a significant gap in terms of capacity to interact with the new Health and Well being structures and discussions will take place with the CCG and public health in order to mitigate the difficulties this will cause.

Improving Futures: Funded by the BIG lottery this project is a collaborative, early intervention project working with a range of third sector organisations to improve the lives of children aged 5-11 years through an intensive programme of mentoring. It is a four-year city wide project with the year under report being year one. The project is delivered by a partnership of VCO's led by WVSC, with strong support and commitment from the Local Authority and other aligned partners. During the year all targets were met. The budget for the project is a challenging one, the underspend of £15,571 is primarily a result of timing issues and it is envisaged that full spend on this project will be achieved. The project is a pilot being run across three geographical areas and one thematic area (children in families where there has been domestic violence) and it is hoped that the approach adopted will transform future provision of services to children within this age group.

Local Involvement Network/HealthWatch: During the year Wolverhampton's LINK provided a clear voice for groups and individuals in Wolverhampton, on Health and Social Care policy, service and delivery and is regarded as one of the most successful nationally. It became well established with over 750 members, a strong independent board and excellent routes into the City's decision making processes. National Government have decided to replace LINK with Health Watch as of 01/04/13. In recognition of the success of Wolverhampton's LINK an evolutionary approach has been adopted in bringing about this change building on LINK's success. The in-year surplus £13,232 was achieved through careful financial management. LINK was a contract secured through a competitive process and therefore any surplus at the end of the contract reverts to WVSC. This amounts to £75,086 which will be used in furtherance of the organisation's charitable aims. WVSC will continue to support an independent HealthWatch during 2013/14, and certainly up until December 2013, at which point HealthWatch will review its support needs.

Mental Health Empowerment Project: Funded jointly by the PCT and City Council during the year, this is a well established 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. The in-year deficit of £7,802 is a result of planned spend against reserves. A small portion of reserves remaining within MHE as at 31.3.13 is a depreciation reserve.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

During the year it was agreed to separate the two elements of the project. The group support element has received a contract for a further three years of funding. The empowerment element has received a 9 month extension to the existing contract and will be retendered in January 2014. With the demise of the PCT the contracts are now held with the City Council.

Micro Enterprise A new project that was developed during the year, funded through the City Council. The project aims to develop the micro enterprise market in social care through encouraging the development of small "micro" organisations, that will provide a more personalised service and greater choice to those people who receive a social care service, funded either through a direct payment or through self-financing. This is an 18 month pilot with the option of a one year extension. The post holder is employed by WVSC but splits their time between this organisation and Access to Business, with the aim of engaging both small organisations and individuals. During the year the project established itself and delivered against all its targets.

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, linked to the "Firm Foundations" toolkit referred to elsewhere, although they have not yet been implemented, and thus the fund of £10,000 remains on the balance sheet.

(Drug) Service User Involvement Project (SUIT) This project 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 was fully funded through the Primary Care Trust (PCT) in the year under report with plans to transfer it under Council funding for 2013/14 and beyond in place. This includes a repeat of the one year "uplift" in recognition of the impact of that post on our outcomes. The funding also allows for the production of "Substance" - a well regarded magazine produced by the project. The project has gained a significant reputation for the scope and quality of its work. It is providing significant added value through its work with volunteers whose involvement in the project is opening up opportunities for them to progress. The reserves balance, now totalling £48,791, will be used in future delivery of the project. A small amount of reserves is set aside for depreciation costs.

Talent Match £1017 was provided by the Black Country Consortium for our role in the early development of Talent Match. During the latter part of the year under report WVSC was selected to lead the project for the Black Country. There is an indicative allocation of £9.5M available subject to the submission of an acceptable project plan. The project will work with people aged 28-24 who are not in education, employment or training. Young people will be at its heart, employers will be key to its success and the approach will be characterised by partnership within the VCS and across sectors. Success in this paves the way for the new ways of working outlined elsewhere.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

Third Sector Partnership: £47K was made available via the LSP to cover the three years from 2012/13 to 2015/16. This funding supports the smooth running of the third sector partnership, including funds for administration, room hire, refreshments and specific support for the Compact.

Transforming Local Infrastructure: Transforming Local Infrastructure (TLI) is a collaborative project of local support agencies with WVSC as the lead accountable body. TLI is funded via "BIG" to transform the way support is provided to the local voluntary and community sector. In last year's report it was stated that "Over 18 months, communication with the sector will be improved and 'clusters' of voluntary and community organisations (VCO's) will be developed to share resources, drive down costs; access support, and increase sustainability. There will also be the establishment of a 'pro bono support network' of private organisations to support VCO's in areas such as human resources and legal issues. In addition through TLI a Social Investment Vehicle will be established through which third sector organisations will collaborate to deliver services." During the year significant progress was made in each of these areas and "BIG" notified us that "Wolverhampton TLI is one of the best performing nationally." In particular the development of PIP, the social investment vehicle, is being held up as an example of best practice nationally. The project is a complex one that requires close financial management, something that has been achieved to good effect by WVSC finance staff. This project ends on 30/09/13 when funding from BIG stops. The significant underspend on the project to date of £63,375 is a timing issue brought about by the funding being paid in advance.

Wolverhampton Volunteers: This project continues to thrive in terms of its impact and outputs. At the current time c100 volunteers a month are registering, the number of organisations working with volunteers through Wolverhampton Volunteers has grown to some 220 and the project's profile is both widespread and highly regarded. It is increasingly seen as the 'hub' of volunteering within the City. Identifying funding over the past two years has been a significant challenge although the City Council have continued to provide a significant "top up" to the core funding, lost when WNF was withdrawn, typically on a six monthly basis.

During 2013/14 the service will be tendered to "test the market" and WVSC fully intend to bid for what would be a three year contract. The surplus generated during the year is largely as a result of earned income, coupled with very careful financial management. It is envisaged that this underspend and carried forward reserves of £28,754 will be utilised to maintain the service at its current levels though 2013/14, when a shortfall is envisaged, and potentially beyond.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

Overall Achievements and Performance

During the year there was a significant increase in income from £766,697 in 2011/12 to £1,291,158, and this was matched by a similar increase in expenditure. This increase is caused primarily by our success in successfully identifying appropriate funding opportunities. During the year these have been: The transforming Local Infrastructure project, The Improving futures project, and Micro Enterprise development. The first two of these are lottery funded and the third is funded by the City Council.

After returning a (planned) deficit of £137,386 in 2011/12 in order to help WVSC manage the significant loss of WNF funds, in the year under report our unrestricted reserves show an increase of some £2,964 – this despite the Board of Trustees agreeing a maximum in year deficit of C£70K. This was achieved through increased income as identified above and excellent financial management. The years ahead are likely to be difficult, particularly with ongoing cuts to the public sector, being passed on to the VCS. This will mean that the board will face some hard decisions into the future in order to ensure that we continue to deliver our outcomes effectively.

The year under report has been a challenging one as we have maintained the quality of our provision while developing the new approaches outlined above. This against a backdrop characterised by ongoing threats to our funding, primarily by the City Council. This difficult landscape is unlikely to improve while the “age of austerity” remains the national policy.

Reserves Policy

The reserves considered in the Reserves Policy, are the “free reserves”. These are the sum of the Unrestricted General Reserves, less Fixed Assets within Unrestricted Activity. These free reserves include designated funds. WVSC reviewed its reserves policy in 2009-10 so that it aligns more closely with the pursuance of the charity’s objectives and management of risk therein. The rationale for WVSC’s reserves is to bridge the gap between the spending and receiving of resources, to provide sustainability and continuity within times of income shortfall, and to enable WVSC to respond to key developments in the sector. The Trustees aim to build reserves which would enable WVSC to continue to fulfil its commitment to achievement of outcomes for at least 6 months, and to honour its liabilities at any point in time. For the 2013-14 budget plan, this policy gives a figure to work towards of £509,376. Within this amount, funds of £100,486 are closure costs, which are now represented by a designated fund, and £408,890 are the running costs for 13-14 as required by the reserves policy.

As at 31 March 2013, WVSC’s free reserves are £274,439. Re 13-14, the Board have authorised some use of reserves in the 13-14 budget – up to a maximum of £54,383. This then leaves £100K for closure costs, and a residue of £119K as contribution towards the target of 6 months running costs, as directed by the reserves policy.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

In 12-13, WVSC began the financial year with a possible deficit of £70K from general reserves, which turned around to be a surplus of £2,964. The 13-14 budget again shows a possible deficit of £54K, but we continue to work with new opportunities, and respond creatively to the changing environment, with the aim that the year end picture, as at 31/3/14, will show a more positive result.

Plans for the future

In order to survive and thrive WVSC will need to respond robustly to the changing environment. This includes developing new models of delivery and identifying new strategic partners and sources of income. In doing so we need to continue to focus on our mission of maintaining and developing a thriving and diverse Voluntary and Community Sector.

The future is likely to be characterised by:

The continued development of consortia models such as People in Partnership and Black Country Together, through which the sector will work together to deliver services to the public. It is likely that this will include the highest performing areas of work within WVSC that are themselves looking at the governance models they require in order to play a full role in this future.

WVSC being directly accountable for Talent Match – while funding has still to be secured it is “ours to lose”, so it is likely that this project will have a significant influence on WVSC and its role into the future.

Capacity building of organisations increasingly being provided as part of larger service delivery contracts with for example, an expectation that “members” of PIP will have completed a membership prospectus and then supported to identify and respond to any shortcomings identified. These pathways to service delivery are designed to reach down to small organisations; that said there will be significant numbers who will not wish to engage in service delivery and we will continue to provide support to them. At the current time this is through City Council resources.

The development of new strategic partnerships. Structures and relationships are changing, large cuts in funding available to the City Council is likely to change the relationships with the sector and strong relationships with bodies like the Local Enterprise Partnership, Clinical Commissioning Group, Ministry of Justice, Probation Service and others. New strategic partnership will need to continue to be developed.

WVSC remain in a strong position to strengthen during this time of change and to do so for the benefit of groups, organisations and communities in our City.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees' Annual Report for the year ended 31 March 2013

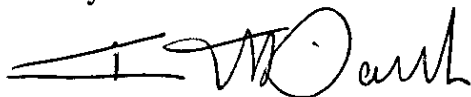
Auditors

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

Board of Trustees

Kath Rees (CHAIR)	
Colin Knott	Resigned 7/12/12
Mirza Baig	
Shaikh Ellam	
Ann Gough	Resigned 22/03/13
James Smith	
Bruce Kirk	
Graham Myerscough	Resigned 22/03/13
Janet Clarke Lewis	
Geoffrey Hopkins	
Mohammed Nazir	
Inez Dacres	
Pauline Callaghan	Resigned 14/06/13
Rosie Paskins	Resigned 14/06/13
Steve Clay	
Pamela Cole-Hudson	Appointed 22/03/13
Michael Moreton	Appointed 22/03/13

By order of the Board of Trustees



Ian T Darch
Secretary
27 September 2013



Kath Rees
Chair
27 September 2013

INDEPENDENT AUDITOR'S 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 2013 which comprise the Statement of Financial Activities, including Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL - continued**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs, as at 31 March 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to Smaller Entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.



Muras Baker Jones LLP
Chartered Accountants
and Statutory Auditor

27 September 2013

Regent House
Bath Avenue
Wolverhampton
WV1 4EG

Muras Baker Jones LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Statement of Financial Activities for the year ended 31 March 2013
(Incorporating an Income and Expenditure Account)

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming Resources from generated funds					
Voluntary Income	4	-	-	-	116,781
Investment Income		9,131	-	9,131	4,710
Incoming Resources from charitable activities	5	64,623	1,217,404	1,282,027	645,206
TOTAL INCOMING RESOURCES		<u>73,754</u>	<u>1,217,404</u>	<u>1,291,158</u>	<u>766,697</u>
RESOURCES EXPENDED					
Charitable Activities	6	65,795	1,124,441	1,190,236	898,183
Governance Costs	7	4,995	280	5,275	5,900
TOTAL RESOURCES EXPENDED		<u>70,790</u>	<u>1,124,721</u>	<u>1,195,511</u>	<u>904,083</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	8	2,964	92,683	95,647	(137,386)
Transfers between funds	15	-	-	-	-
NET MOVEMENT IN FUNDS	15	<u>2,964</u>	<u>92,683</u>	<u>95,647</u>	<u>(137,386)</u>
Total funds brought forward		272,848	267,860	540,708	678,094
TOTAL FUNDS AT 31 March 2013		<u>275,812</u>	<u>360,543</u>	<u>636,355</u>	<u>540,708</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2013

			2013	2012
	Note	£	£	£
Fixed assets				
Tangible assets	9		21,355	31,786
Investments	10		1	1
Current assets				
Debtors	11	32,439	17,236	
CAF / Scottish Widows and Unity deposit funds		267,436	560,703	
Cash at bank and in hand		457,225	167,023	
		<u>757,100</u>	<u>744,962</u>	
Creditors: amounts falling due within one year	12	(142,101)	(236,041)	
Net Current assets			<u>614,999</u>	<u>508,921</u>
Net assets	14		<u>636,355</u>	<u>540,708</u>
Reserves				
Unrestricted Funds:				
General unrestricted fund			173,996	140,696
Designated funds			101,816	132,152
Restricted Funds:				
Capacity Builders Refurb 08-09			7,974	10,639
Capacity Builders Refurb 09-10			10,284	12,966
Compact			13,632	13,632
Fundability			7,378	7,378
Health and Well Being (HWB)			24,905	33,032
Big Lottery Fund Grant Improving Futures			18,328	2,757
LiNK			75,086	61,854
Mental Health Empowerment			49,898	57,700
Quality Initiative			10,000	10,000
Service Users Involvement - SUIT			48,791	49,435
Talent Match			689	0
Third Sector Support			1,449	0
Transforming Local Infrastructure Grant			63,375	(1,295)
Volunteer Services			28,754	9,762
Total Funds	15		<u>636,355</u>	<u>540,708</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2013

The Directors are satisfied that the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section s154 of the Charities Act 2011.

Directors' responsibilities

- i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2013.



Kath Rees
Chair of Board of Trustees



Steve Clay
Board Member

Company Number: 2288239

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2013 *(continued)*

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 April 2008), 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)', to not prepare a cashflow statement on the grounds that it is a 'small' company under the Companies Act 2006.

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 their 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 2013 *(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 various funders - see note 5 - 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 grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

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

Donated services and facilities are included at the value to the charity, where they can be quantified

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 2013 (*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	2013		2012	
	Number	£	Number	£
Grants to Improving Futures Partners	3	59,548	-	-
Grants to Self-Help Groups – Mental Health Empowerment	13	15,146	15	15,068
Grants to Micro Enterprise Partners	1	1,333	0	-
Grants to Transforming Local Infrastructure Partners	6	93,784	0	-
	<u>23</u>	<u>169,811</u>	<u>15</u>	<u>15,068</u>

4 Voluntary Income

In previous years this note has detailed the contract with Wolverhampton City Council, classified as voluntary income. However, this contract has been reprofiled, and is now classed as a Restricted Fund. This fund is still referred to in note 18, which reports on revenue funding provided through the local government

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 *(continued)*

5	Incoming Resources from	Unrestricted	Restricted	Total	Total
	Charitable Activities	2013	2013	2013	2012
		£	£	£	£
	Big Lottery Fund		159,613	159,613	10,000
	BIG		235,079	235,079	0
	Wolverhampton City Council (WCC)		451,949	451,949	293,586
	Wolverhampton PCT		126,812	126,812	89,143
	WCC/PCT combined		198,840	198,840	198,840
	Services In Kind		17,181	17,181	0
	Non Grant Income	64,623	27,930	92,553	53,637
		<u>64,623</u>	<u>1,217,404</u>	<u>1,282,027</u>	<u>645,206</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

 Notes forming part of the financial statements for the year ended 31 March 2013 *(continued)*
6 Breakdown of Costs of Charitable Activity

	Staff Costs	Other Charitable Costs	Support Costs	Total 2013	Total 2012
	£	£	£	£	£
Core Activities	0	0	28,407	28,407	104,564
Infrastructure Support incl Trading	6,473	16,191	14,724	37,388	165,999
TOTAL UNRESTRICTED	6,473	16,191	43,131	65,795	270,563
Advocacy – Learning Disability	0	0	0	0	5,388
Black Country LEP	0	0	0	0	5,000
Cap Builders Refurb 08-09	0	2,665	0	2,665	2,717
Cap Builders Refurb 09-10	0	2,682	0	2,682	2,682
Compact	0	0	0	0	35,041
Health and Well Being (HWB)	38,900	11,947	13,420	64,267	54,790
Big Lottery Improving Futures	41,193	114,721	4,292	160,206	7,243
Infrastructure Support	105,123	3,175	8,292	116,590	0
LINK	83,914	39,350	32,672	155,936	158,696
Mental Health Empowerment	93,528	25,022	32,452	151,002	147,458
Micro Enterprise	10,220	11,489	2,000	23,709	0
RPRS/Skills & Training	0	0	0	0	2,080
Service User Involvement (SUIT)	73,075	21,813	33,880	128,768	87,993
Talent Match	0	328	0	328	0
Third Sector Partnership	13,000	4,551	0	17,551	0
Transforming Local Infrastructure Grant	35,442	132,182	7,785	175,409	1,295
Volunteer Services	89,116	3,212	33,000	125,328	117,237
TOTAL RESTRICTED	583,511	373,137	167,793	1,124,441	627,620
TOTAL EXPENDITURE	589,984	389,328	210,924	1,190,236	898,183

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 *(continued)*

6a Support Cost Breakdown by activity	2013 £	2012 £
Staff costs	101,971	74,971
Property	51,284	53,112
Office	48,219	39,052
Depreciation	4,029	3,675
Professional fees	5,421	9,322
	<hr/>	<hr/>
Total	210,924	180,132
	<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.

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 required in order to support all the projects and contracts within the organisation.

These costs are calculated on a budget basis, at the beginning of the financial year, 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.

Re Note 6. In 2012-13, "core activities" is showing a cost in support costs, of £28,407. This represents the fact that the total support costs for WVSC were not fully recharged to projects/contracts. Core (Unrestricted Funds) has had to bear this cost therefore in 2012-13.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 (*continued*)**7 Breakdown of Governance Costs**

	2013	2012
	£	£
Audit and related fees	5,032	5,659
AGM	243	241
	<u>5,275</u>	<u>5,900</u>

8 Net incoming/(outgoing) resources before transfers

	2013	2012
	£	£
This is stated after charging:		
Rentals under operating leases	25,000	42,000
Auditors' remuneration	5,032	5,659
Auditors' remuneration – non audit services	-	-
Depreciation owned fixed assets	10,431	12,749
	<u> </u>	<u> </u>

9 Tangible Fixed Assets

	Refurb On Lease	Computers and Office Equipment	Total
	£	£	£
Cost			
31 March 2012	34,996	128,757	163,753
31 March 2013	<u>34,996</u>	<u>128,757</u>	<u>163,753</u>
Depreciation			
31 March 2012	11,855	120,112	131,967
Charge for the year	4,787	5,644	10,431
31 March 2013	<u>16,642</u>	<u>125,756</u>	<u>142,398</u>
Net book value			
31 March 2013	<u>18,354</u>	<u>3,001</u>	<u>21,355</u>
31 March 2012	<u>23,141</u>	<u>8,645</u>	<u>31,786</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 *(continued)***10 Fixed Assets Investments**

The company's investments at the balance sheet date in the share capital of companies include the following

People in Partnership (Wolverhampton) Community Interest Company

Nature of the business The company was incorporated on 12 July 2011 and has not traded during the year 2012-13

Class of share	% Holding	
Ordinary	100.00	
Aggregate capital and reserves	2013	2012
	1	1
	<u> </u>	<u> </u>

11 Debtors

	2013 £	2012 £
Trade debtors	31,531	14,222
Payments in advance	908	3,014
	<u> </u>	<u> </u>
	32,439	17,236
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	2013 £	2012 £
Deferred income	35,338	188,866
Other creditors	26,048	13,701
Accruals	80,715	33,474
	<u> </u>	<u> </u>
	142,101	236,041
	<u> </u>	<u> </u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

13	Analysis of Deferred Income	B/f 01.04.12	Released	Received	C/f 31.03.13
	Funder of Deferred Income	£	£	£	£
	The Big Fund	187,941	(187,941)	-	-
	Sales Income	925	(925)	5,868	5,868
	PCT (SUIT)		-	5,700	5,700
	WCC (Micro Enterprise)			14,770	14,770
	WCC (Third Sector Partnership)			9,000	9,000
	TOTALS	188,866	(188,866)	35,338	35,338

14	Analysis of Net Assets Between Funds	Unrestricted	Designated	Restricted	TOTAL 2013
		£	£	£	£
	Fixed Assets	1,373		19,983	21,356
	Current Assets	196,393	101,816	458,891	757,100
	Current Liabilities	(23,770)		(118,331)	(142,101)
	Net Assets at 31 March 2013	173,996	101,816	360,543	636,355

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 *(continued)***15 Reserves and Reconciliation of Movements in Funds**

	31 March 2012 £	Transfers £	Incoming Resources £	Outgoing Resources £	31 March 2013 £
Unrestricted funds:					
General unrestricted fund	140,696	30,336	73,754	70,790	173,996
Designated funds including operation liabilities	132,152	(30,336)	0	0	101,816
Restricted funds:					
Capacity Builders Refurb 08-09	10,639	0	0	2,665	7974
Capacity Builders Refurb 09-10	12,966	0	0	2,682	10,284
Compact	13,632	0	0	0	13,632
Fundability	7,378	0	0	0	7,378
Health and Well Being (HWB)	33,032	0	56,140	64,267	24,905
Big Lottery Grant – Improving Futures	2,757	0	175,777	160,206	18,328
Infrastructure Support	0	0	116,870	116,870	0
LINK	61,854	0	169,168	155,936	75,086
Mental Health Empowerment	57,700	0	143,200	151,002	49,898
Micro Enterprise	0	0	23,709	23,709	0
Quality Initiative	10,000	0	0	0	10,000
Service User Involvement - SUIT	49,435	0	128,124	128,768	48,791
Talent Match	0	0	1,017	328	689
Third Sector Partnership	0	0	19,000	17,551	1,449
Transforming Local Infrastructure Grant	(1,295)	0	240,079	175,409	63,375
Volunteer Services	9,762	0	144,320	125,328	28,754
	540,708	0	1,291,158	1,195,511	636,355

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

Note: Reserves and Reconciliation of Movements in funds – Transfers between funds:

In 2012-13 there was a transfer within Unrestricted Funds: £30,336 was transferred from designated funds to general unrestricted funds. This reflects the reserves calculation which specifies "closure" costs. These closure costs are £100,486 for the forthcoming year 13-14, which is a reduction of £30,336 from last year's accounts. This is due to a reduction in lease liabilities, and also a reduction in potential staff redundancy cost liabilities.

In 2012-13 there were no transfers of funds between unrestricted and restricted funds.

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

UNRESTRICTED FUNDS:

General Unrestricted Fund: This is used to fund the activities of the unrestricted elements of Core Activities – partnership working across the sector and with statutory sector, some capacity building and advocacy within the sector which isn't funded through the WCC grant, 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 paragraph on unrestricted reserves within the TAR.

Designated Funds: The balance in designated funds is £101,816. This represents £1,330 for improving safety within the organisation for staff and visitors, and £100,486 for operational liabilities/closure costs. Please see reference to reserves policy in the TAR.

RESTRICTED FUNDS:

Black Country LEP – to ensure effective engagement between the voluntary and community sector in the Black Country, and the Black Country LEP (Local Enterprise Partnership).

Capacity Builders Refurbishment nos. 1 and 2 one-off grants to improve accessibility of WVSC's premises and resources.

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

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

Health and Well Being: to promote inclusion and participation in decision making forums and structures.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2013 *(continued)*

Big Lottery Grant - Improving Futures is a partnership of third sector organisations, led by WVSC, whose aim is to improve the lives of primary aged children through an intensive programme of mentoring and specific support to families

Infrastructure Support: this is to support capacity building with local third sector groups, and then in addition to part - fund the role of championing the sector

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

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

Micro – Enterprise: this is a project aimed at developing the social care market

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

(Drug) Service User Involvement: to work with users and ex-users of drug services, to support them in influencing the provision of drug treatment services

Talent Match: this is Lottery Funded Programme aimed at 18-24 year olds, who have been not in education or employment for a year

Third Sector Partnership – this is funding to develop the effectiveness of the Wolverhampton Third Sector Partnership, and as part of this, the funding is used to support the ongoing recognition of the Compact

Transforming Local Infrastructure is a partnership of third sector organisations, lead by WVSC, whose aim is to transform the way support is provided to the Voluntary and Community Sector through developing and supporting networks of voluntary organisations to work together to share resources, drive down costs, access support and increase sustainability

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

16 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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2013 *(continued)***17 Particulars of Employees**

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

	2013	2012
General activities	31	29

The aggregate payroll cost of these persons was as follows.

	2013 £	2012 £
Wages and salaries	593,811	561,022
Social security costs	45,316	42,251
Other pension costs	52,828	54,588
	<u>691,955</u>	<u>657,861</u>

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

18 Revenue Grants from Wolverhampton City Council under Section 137 Local Government Act 1988 relating to four areas of funding:

	Infrastructure Support	Micro Enterprise	Third Sector Partnership	Volunteer Services	2013	2012
Other	11,658	21,859	6,000	32,845	72,362	57,465
Salaries	105,123	16,620	13,000	86,925	221,668	168,402
Totals	116,781	38,479	19,000	119,770	294,030	225,867

19 Pensions

Some of 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 2010, and subsequent advice from the Actuaries, contributions to the Scheme for 2011/12 from the employees are payable at a variable rate according to graded rates of pensionable pay, and employer's contributions for 2011/12 to 2013/14 are payable at a rate of 12.1% of pensionable pay plus 6.2% pensionable pay per annum for 25 years to meet the funding shortfall. Also, the charity is required to make additional lump sum contributions towards meeting the shortfall. The amounts payable for the above three years are £8,300, £8,600 and £9,100 respectively.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

It is 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 as at 31 March 2010 was £8,008 million and the actuarial value of those assets represented 75% of the benefits that had accrued to members

20 Taxation

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

21 Operating Lease Commitments

At 31 March 2013 WVSC had annual commitments under non-cancellable operating leases as follows

	2013		2012	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date:				
In one to two years		10,320		
In two to five years	25,000	5,295	25,000	15,615
	<u>25,000</u>	<u>15,615</u>	<u>25,000</u>	<u>15,615</u>

WVSC has an option to terminate the lease on giving one year's notice
The landlord can terminate the lease in the event of default by WVSC

22 Related Party Transactions

Ian Darch, the Chief Executive of WVSC, sits on the Children's Trust Board, and in 11-12 WVSC became the Accountable Body for Improving Futures, a project funded by the Lottery. This project receives in kind funding from the Children's Services, which in 12-13 was to the value of £17,181

Ian Darch is a director of YOW. YOW purchased community accountancy services from WVSC in 12-13, to the value of £5,191

Kath Rees is the CEO of the Haven, Wolverhampton, and a director of WVSC. The Haven is a funded partner in the Improving Futures project, and in 12-13 received £19,509

Mohammed Nazir is a director of WVSC, and CEO of BME United. BME United is a funded partner in the TLI project and in 12-13 received £18,876

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2013 *(continued)*

Ian Darch, in 12-13, was a director of the Black Country Consortium. The BCC paid £1,017 to WVSC for work delivered, in BCC's role as accountable body for Talent Match 12-13