

**COMPANIES HOUSE
COPY**

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 2010

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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

Colin Knott	(Chair)
Susan Pascoe	(Vice-Chair)
James Smith	
Kath Rees	
Bruce Kirk	
Graham Myerscough	
Janet Clarke Lewis	
Shaikh Ellam	
Nigel Taylor	
Geoffrey Hopkins	
June Hemsley	
Ann Gough	
Mohammad Nazir	
Mirza Baig	
Mrs Gloridene Gordon	

Secretary and registered office

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

Senior Management Team

Ian Darch	Chief Executive
Sue Anderson	Deputy Chief Executive - Operations
Jane Gledhill	Deputy Chief Executive - Finance
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 2010

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 to 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 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 the Deputy Chief Executive (Operations) and 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 2010 (*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 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. This led to a review of the charities mission and objectives which is captured later in this report under “Objectives and Activities”.

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

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Trustees Annual Report for the year ended 31 March 2010 (*continued*)

Council nominate a councillor with observer status on the board. At the year end the board had 4 vacancies, efforts will be made to fill these at the 2010/11 AGM.

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 bi-monthly meeting of Managers from each area of work, and 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.

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. The Deputy CEO (Operations) manages all Section Heads apart from the Office Manager and Community Accountant who are managed by the Deputy CEO (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.

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Trustees Annual Report for the year ended 31 March 2010 (*continued*)

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 Third Sector Partnership (TSP) with the Chief Executive acting as the “Thematic Lead”. The TSP is part of the Local Strategic Partnership (LSP) and has representation across all aspects of that partnership. The TSP, which consists of representation from over 40 Voluntary and Community groups and 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 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. We will continue to work in partnership as appropriate and during 2010/11 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

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currently the Vice Chair WVSC works particularly closely with Dudley CVS sharing plans, initiatives and resources

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 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 working on the development of one standard contract, championing the Compact and our sectors role in the City, working with the LSP on the development of a strategy and action plan for a thriving third sector and continuing to support the Council and other partners in developing a sector friendly approach to commissioning

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 statutory bodies 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

Cuts in public expenditure, anticipated in last year's report, place the majority of our funding at an increased level of risk. During 2010/11 we will continue to consider options to spread risk including exploring the development of a trading company or similar. The impending demise of PCTs and the emergence of GP commissioning is a particular risk to WVSC and the wider sector as new relationships with GP consortia need to be established

We will 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 revised 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

In 2008/09 we 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

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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, 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 that 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 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.

The charity employed 34 staff at the year end. Turnover was restricted to a Saturday Cleaner – no other staff left during the year. Staff turnover in the year has been low (approx 6%).

Sickness levels decreased between 2008/09 and the current year, from an average of 5.8 days per staff member to 5.3 days. 4 staff accounted for 75% of the absence with 26 staff taking two days or less and 17 staff having no absences through sickness. Our sickness levels compare favourably to, for example, the City Council where the rate for 2008/09 was 11.6 days per staff member.

Objectives and Activities

An away day during the year led to a review of the charities mission and objectives. WVSC works to maintain and develop a thriving and diverse Voluntary and Community Sector. More specifically the following objectives were agreed:

- **To work with groups and organisations, enabling them to provide high quality support and services.** This involves addressing the organisational development needs of

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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. An important part of this work involves working to increase the role of the VCS in delivering public services. This has included 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.

- **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 and Pathfinder. This work 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 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.
- **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 kept abreast of important changes and is given the opportunity to influence strategy and policy. An example of this work is our facilitation and development of the Third Sector Partnership.
- **To develop opportunities for people to engage in volunteering:** Volunteering provides opportunities for individuals to develop and learn and benefits organisations with a valuable resource that helps them to deliver good value for money in the work they do. This is a new objective developed primarily as a result of the work of Wolverhampton Volunteers developed by WVSC over the past 18 months and reported on elsewhere. Our work with "experts by experience" also provides them with 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".

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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 N17, 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 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.

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Trustees Annual Report for the year ended 31 March 2010 (*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

WVSC operate the cities Volunteer Service (Wolverhampton Volunteers). The service places in excess of 700 volunteers a year with c100 registered organisations offering placements. As anticipated in last years’ report the service has been expanded to support volunteers into training through the provision of a brokering service. This is on target to place c400 volunteers a year into training places with providers across the City.

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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

Within WVSC we work alongside 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 support on legal matters - see Restricted Funds Specialist Services for more detail on this level of support.

Support on more complex legal issues is primarily in this area of Specialist Services' work, and is mainly funded through fee income. The level of earned income however is difficult to predict and historically this area of work has struggled to achieve a breakeven budget. In the year under report the department returned a deficit of £27,085, a significant increase on last year (£3,010). In this year the deficit will, as in previous years, be covered from unrestricted reserves. The retirement of the senior staff member and main fee earner in November 2010 provides an opportunity to re-focus this work on that which is more easily funded and it is not anticipated that a deficit of this magnitude will be returned in future years.

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.

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 was incorporated into our Service Agreement with the City Council but then paid for in full by Wolverhampton Network Consortium, hence the £5,000 surplus.

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Website: WVSC now has a fully functioning website. The expenditure of £1,500 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.

Office Refurbishment and Safety Funds: these are both designated funds. £1,295 was spent against office refurbishment and a new fund of £1,330 was set aside for staff and visitor safety needs.

Restricted funds

Specialist Services

This area of work is detailed in the accounts in Restricted and Unrestricted Activities – please therefore also see narrative on Unrestricted funds regarding Specialist Services.

This department offers a wide range of information and advice on legal matters, support to groups in the form of one to one work, 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 the LAA resource. All LAA targets have been surpassed during the year.

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. Although it was awarded a five year contract in 2008/09 the project is currently under review by funders in light of their priorities and the required cuts in public spending. The surplus of £5,156 has resulted primarily from a number of factors none of which, alone, are significant.

Regeneration Zone This restricted fund of £8,657 has not been utilised in the year. Agreement was reached with funders that the funds, an under spend on a previous project, could be used to support the third sector. There are plans to develop a toolkit for the sector in 2010/11. Organisations will require one to one support to fully benefit from the toolkit and this resource will be used to provide that support. This is in line with the previous agreed activity of carrying out organisational health checks.

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. After a number of changes in personnel the project is now more settled and delivering to a good standard. The in year deficit is as a result of planned spend against reserves of £16,000, balanced against an under spend of £10,000 on the overall budget. The under spend which was primarily as a result of the non take up of pension scheme.

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Trustees Annual Report for the year ended 31 March 2010 (*continued*)

membership. Staff have now joined the pension scheme and therefore it is not anticipated that an under spend of this magnitude will be repeated. Planned spend against reserves will continue.

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 was part funded via Wolverhampton Network Consortium (WNC) using LAA resources. During the year an offer by WNC to run a wider disability network was initially accepted, however it became apparent that an existing organisation of disabled people was better placed to take this work forward and we relinquished this element of the work. The board then agreed to continue funding at the same level for the remainder 2009/10 and for 2010/11 in order to increase the projects capacity to deliver outcomes and explore sustainability. The project 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 linked to the emerging "toolkit" referred to elsewhere 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 £5,892 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 continue, it is anticipated, into the next year. The fund currently stands at £7,378.

Compact: The Compact is central to establishing the rules of engagement between the statutory and "Third" sectors. 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 a successful Compact signals. Our compact received national recognition at the compact awards and Wolverhampton is recognised as delivering best practice in terms of partnership working. Funding from the Councils Community Initiatives Team was not provided during the year, but CIT agreed a transfer of £8,000 underutilised in the core income contract – see reserves transfers. Income therefore consisted of £33,000 through the LAA, £12,200 of earned income, primarily from the production of a Compact Champions Toolkit. In addition this project accessed its reserves as a planned approach to managing the in year deficit. Negotiations are underway to re-commence funding through CIT during 2010/11. Irrespective of this 2010/11 expenditure is fully budgeted. WVSC is the accountable body for the regional compact, expenditure is authorised by a regional steering group and is in line with plans.

RP-RS Training and Skills: This project ended in 2008/09 having generated a significant surplus. In the previous year this surplus (£95,984) was treated as a restricted fund. Following confirmation of final figures by the LSC, who funded this work, the surplus was converted to

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

unrestricted reserves and is now available to support activity in furthering the objectives of WVSC. The remaining balance on this project relates to capital depreciation.

Wolverhampton Volunteers: This project has developed considerably during the year. Initially established on a temporary basis utilising a council grant and reserves and employing one staff member with temporary administrative support, the project now employs three full time staff. During the year it placed in excess of 700 volunteers and with the addition of a broker in January, funded through the Working Neighbourhood Fund (WNF) now refers and supports volunteers into training. The project has met all its targets and would appear to play an important role in the Government's emerging agenda. The surplus on the year is primarily as a result of timing issues with WNF funding commencing before staff had been recruited, and under spend on a budget set aside to support disabled volunteers to access opportunities - the use of this budget line is under review with the support of funders.

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) and includes funding to produce "Substance" - a well regarded magazine produced by the project. The project is providing significant added value through its work with volunteers whose involvement in the project is opening up opportunities for them to progress, this is increasingly being recognised by the funder and is now captured within a revised SLA. Under spend during the year is as a result of staff non take up of pension scheme membership and an underutilisation of the staffing budget as a result of long term sickness. The reserves balance, now totalling £40,674 will be used in the delivery of the project.

Outcomes: WVSC 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 to focus 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, performed broadly to target. The over spend of £221 shown in the SOFA relates to planned spend against a depreciation reserve.

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. The work is carried out on a one to one basis and through a series of training in small groups. A small amount of income was generated from charged-for work (£2,949) and there is scope to increase this if the emerging funding regime requires. The surplus of £3,843 occurred through a combination of this earned income and a small under spend against budget.

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

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 Chief Executive, who is part funded through the Local Area Agreement to do this work. This work was delivered to budget.

Third Sector Support This funding is part of the SLA awarded through the LAA. Funding is used to facilitate work in developing the third sector. In this year the bulk of expenditure was spent on a review of activity in furtherance of the strategy for a thriving third sector. This work culminated in an action plan for 2010/11 and beyond that was "signed off" by the Third Sector Partnership and subsequently received WNF funding for its implementation.

Commissioning This work funded through Capacity Builders is targeted on supporting 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. The work is meeting all its targets and was spent to budget in the year.

Refurbishment Capital funding was awarded by Capacity Builders in both 2008/09 and 2009/10. This has 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 awards were almost fully spent in the year. The carried forward funds against both capital grants is for future depreciation.

Pathfinder: WVSC is the accountable body for the Black Country Pathfinder and for the regional pathfinder, both funded through Government Office West Midlands. This is a nationally recognised process for empowering people to be able to wield positive influence within 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 the Black Country work. We support 5 areas within the region to embed the pathfinder into their practice through our regional work, which is delivered through the Black Country Empowerment Group (BCEG). Funding for the former consists of grants to each of the 5 areas to carry out work internally and funding for the BCEG to lead on this work. Under spends of £13,661 on the Regional Pathfinder and £4,754 on the Black Country work were repayable in the year, the former being primarily as a result of one area not proceeding with the work.

ABCD ABCD commissioned a pathfinder programme during the year aimed at residents in the ABCD area of Wolverhampton. This was delivered on target and to budget.

Mediation: This project straddled 2009/10 and 2010/11 with substantive delivery taking place in 2010/11. 12 participants will receive intensive, accredited training in mediation with the aim of becoming accredited mediators. Successful participants are committed to carry out 2 compact mediations as part of their contract. This work is funded through a combination of ABCD funding, compact funding secured through the LAA for 2010/11 and by charging participants.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

from larger organisations. The funding in this year's accounts relates to the initial payment for the mediation training.

LINK: The LINK provides a clear voice for groups and individuals in Wolverhampton, on Health and Social Care policy, service and delivery. The LINK is now well established with over 400 members at the time of writing, a strong independent board and excellent routes into the City's decision making processes. At the beginning of the project a significant sum was put aside for use by the LINK board. This was not fully utilised during the year resulting in an under spend of £29,997. The LINK board decided, during the year, to increase capacity by recruiting two additional part time staff. Workers took up posts in April 2010 and thus it is not envisaged that an under spend of this magnitude will be repeated.

Overall Achievements and Performance

Income increased by a net figure of £257,058. This reflects a year that has seen growth in a number of areas, most significantly Wolverhampton Volunteers, Regional and ABCD pathfinder projects and the mediation project. No funding has been withdrawn during the year.

During the year the surplus on our core activity or central costs was £19,199. The deficit in Specialist Services along with the cost of the funding portal and small deficit on the office refurbishment, offset against the above surplus and other unrestricted net income of £29,411 has led to a total **unrestricted surplus for the year of £18,730.**

A surplus on restricted reserves of £54,175 was achieved for reasons outlined in the sections above. A net transfer of £87,984 from restricted to unrestricted reserves was made – see sections on Compact and RP-RS. The final deficit **in restricted reserves was therefore £33,809.**

All areas of work have delivered the targets that have been set for them. Particular highlights include the rapid development of Wolverhampton Volunteers, embedding the LINK into engagement structures within the City and our leading role in a range of pathfinder projects. Our work with experts by experience is very well regarded and SUIT, in particular, is recognised as an innovative project providing excellent value. Our work in building the capacity of Third Sector Organisations has been evaluated during the year with very good feedback, across all areas. The development of our premises provides a more accessible and professional environment for customers, our Website has been improved and our standing within the City and further afield continues to grow.

All in all, a very successful year which places us in good stead to respond to the challenges ahead.

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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

WVSC has 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. This policy gives a figure to work towards of £686,874.

As at 31 March 2010, WVSC's free reserves are £337,141. This incorporates RP-RS transfer of reserves to Unrestricted Funds in 2009-10. The strategy continues to be to build reserves from planned operating surpluses through charitable trading.

Plans for the future

With the challenging national financial climate it is not envisaged that the growth achieved in this year will continue. It is anticipated that 2011/11 will be a year for consolidation for further improving our services and our processes and aligning what we have on offer to the needs of the Third Sector. Beyond that it is unlikely that we will escape unscathed from the impact of the austere public sector finances and some rationalisation is likely to be required.

In terms of our capacity building work the development of a toolkit for the sector will form the basis of our approach to this work. While we plan to retain our specialist areas of work the toolkit will provide a "joined up" approach that will be more generic in its delivery and be based on the needs of groups and organisations rather than focusing on what we have to offer.

With regard to our work supporting people to influence decision making processes there may also be a need for consolidation both within WVSC and with partner organisations involved in engagement activities. Particularly important will be our ability to innovate and develop within what is a changing and challenging landscape.

Our work with Volunteers would appear to play into the key elements of the emerging "Big Society" agenda and this is seen as an area of growth into the future. Securing funding beyond 2010/11 for this work will be crucial if we are to maximise our potential role in this important area.

Our role in championing the sector, particularly in the areas of service delivery and engagement would again seem to be of key importance as the third sector responds to the changing environment under the Coalition Government. The growing emphasis on knowledgeable, confident citizens influencing local strategy and delivery has a strong resonance with work delivered through the pathfinder and the approach adopted through Voice and Echo – current funding for these areas of work ends in 2010/11 and so during the year ahead efforts to secure this activity will be given high priority.

Our on-going drive to deliver greater effectiveness and better value for money will continue, particularly in the way we communicate. Greater use of our Website, and of electronic

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Trustees Annual Report for the year ended 31 March 2010 (*continued*)

communication is part of this although we are mindful that we need to take all elements of the sector with us and will need to continue to accommodate their communication needs including the provision of hard copies of information when necessary

The years ahead will be difficult. The charity has worked hard to establish its reputation and the services it offers while still being responsive to change. This combination of good reputation and high levels of flexibility will be what sustains us in the years ahead.

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 – resigned 08/10/09
Colin Knott	Chair from 04/12/09
Mirza Baig	Appointed 13/4/10
Shaikh Ellam	Appointed 15/4/10
Ann Gough	Appointed 16/04/10
Susan Pascoe	Vice Chair
James Smith	
Kath Rees	
Fazia Bano	Resigned 25/08/09
Bruce Kirk	
Graham Myerscough	
Janet Clarke Lewis	
Pat Kemp	Resigned 09/04/10
Richard Hubbard	Deceased November 2009
Nigel Taylor	Resigned 17/05/10
Geoffrey Hopkins	
June Hemsley	
Balver Bisla	Resigned 12/05/10
Mohammed Nazir	
Mr Sistachar Sarcar	Resigned 12/05/10
Mrs Gloridene Gordon	

By order of the board of Trustees



**B P Cove
Secretary
10 Sep 2010**



**Colin Knott
Chair
10 Sep 2010**

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 2010 which comprise the Statement of Financial Activities (including Income and Expenditure Account) the Balance Sheet and 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 April 2008).

The 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 opinions 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with 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 prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records or returns or if we have not received all the information and explanations we require for the 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 Practice 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.

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

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

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been prepared in accordance with the Companies Act 2006



Muras Baker Jones
Chartered Accountants
and Statutory Auditors

10 September 2010

Regent House
Bath Avenue
Wolverhampton
WV1 4EG

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Statement of Financial Activities for the year ended 31 March 2010
(Incorporating an Income and Expenditure Account)

	Note	Unrestricted funds 2010 £	Restricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
INCOMING RESOURCES					
Incoming Resources from generated funds					
Voluntary Income	4	115 563	-	115,563	116,043
Investment Income		4 522	-	4,522	17,993
Incoming Resources from charitable activities	5	83 248	1 139 383	1,222,631	951,622
TOTAL INCOMING RESOURCES		<u>203 333</u>	<u>1,139 383</u>	<u>1,342,716</u>	<u>1,085,658</u>
RESOURCES EXPENDED					
Charitable Activities	6	178 693	1 085,208	1,263,901	1,002,994
Governance Costs	7	5 910	-	5,910	25,311
TOTAL RESOURCES EXPENDED		<u>184 603</u>	<u>1 085 208</u>	<u>1,269,811</u>	<u>1,028,305</u>
NET INCOMING RESOURCES BEFORE TRANSFERS	8	18 730	54 175	72,905	57,353
Transfers between funds		87 984	(87 984)	-	-
NET MOVEMENT IN FUNDS	14	<u>106,714</u>	<u>(33,809)</u>	<u>72,905</u>	<u>57,353</u>
Total funds brought forward		242 681	411,967	654 648	597 295
TOTAL FUNDS AT 31 March 2010		<u><u>349,395</u></u>	<u><u>378,158</u></u>	<u><u>727,553</u></u>	<u><u>654,648</u></u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2010 (continued)

			2010		2009
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		55,573		42,135
Current assets					
Debtors	10	125,293		101,365	
COIF and Unity deposit funds		411,556		322,483	
Cash at bank and in hand		190,731		259,668	
			727,580	683,516	
Creditors: amounts falling due within one year	11	(55,600)		(71,003)	
Net Current assets			671,980		612,513
Net assets	13		727,553		654,648
Reserves					
Unrestricted Funds:					
General unrestricted fund			341,663		233,484
Designated funds			7,732		9,197
Restricted Funds:					
Capacity Builders Refurb 08-09			16,073		15,515
Capacity Builders Refurb 09-10			18,330		-
Community Accountant			28,871		25,028
Compact			18,417		23,431
Compact Regional - GOWM			-		2,100
Fundability			7,378		13,270
Health and Well Being (HWB)			27,392		22,236
LINK			86,029		56,032
Mental Health Empowerment			78,073		83,641
Outcomes (Cult Change)			12,424		12,645
Quality Initiative			10,000		10,000
Regeneration Zone			8,657		8,657
Right People Right Skills			7,244		108,392
Service Users Involvement-SUIT			40,673		31,020
Third Sector Support			429		-
VOICE			5,000		-
Volunteer Services			13,168		-
Total Funds	14		727,553		654,648

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Balance Sheet at 31 March 2010 (continued)

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 43 of the Charities Act 1993.

Directors' responsibilities

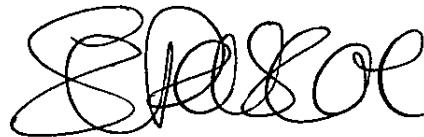
- i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the accounts

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 10 September 2010.



Colin Knott
Chair of Board of Trustees



Su Pascoe
Vice-Chair Board of Trustees

Company Number: 2288239

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010

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) 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 2010 (*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 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 2010 (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	2010		2009	
	Number	£	Number	£
Grants to Self-Help Groups – Mental Health Empowerment	12	14,687	8	10,007
Grants re Mental Health Promotion	5	9,950	9	21,192
Grant to Terence Higgins Trust from HIV Reserve	-	-	1	2,289
Grants to Regional Champions – Pathfinder	5	50,000	-	-
	22	74,637	18	33,488

4 Voluntary Income	Unrestricted	Restricted	Total 2010	Total 2009
	£	£	£	£
Core Grant – Wolverhampton City Council	116,043	-	116,043	116,043
	116,043	-	116,043	116,043

The SOFA states income of £115 563. This difference is due to £480 owed by WVSC to WCC, which was netted off against the above grant payment from WCC to WVSC

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL**Notes forming part of the financial statements for the year ended 31 March 2010 (continued)**

5 Incoming Resources from	Unrestricted	Restricted	Total	Total
Charitable Activities	2010	2010	2010	2009
	£	£	£	£
ABCD		69,557	69,557	-
Capacity Builders		60,503	60,503	33,458
Community Development Foundation		179,786	179,786	75,000
Government Office West Midlands		-	-	10,000
National Treatment Agency (NTA)		-	-	10,000
Wolverhampton City Council (WCC)		254,701	254,701	204,795
Wolverhampton Partnership (LAA)		222,642	222,642	206,000
Wolverhampton Partnership (LANA)		40,425	40,425	22,033
Wolverhampton PCT		89,829	89,829	89,141
WCC/PCT combined		194,778	194,778	190,960
Other Grant Income		4,385	4,385	4,880
Non Grant Income	83,248	22,777	106,025	105,355
	83,248	1,139,383	1,222,631	951,622

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (*continued*)

6 Breakdown of Costs of Charitable Activity

	Staff Costs	Other Charitable Costs	Support Costs	Total 2010	Total 2009
	£	£	£	£	£
Core Activities	93,724	23,002	(23,477)	93,249	106,699
Direct Services	7,950	1,310	3,374	12,634	5,592
Specialist Services	37,924	20,549	14,337	72,810	52,284
TOTAL UNRESTRICTED	139,598	44,861	(5,766)	178,693	164,575
Specialist Services	39,463	1,820	14,337	55,620	61,632
Health and Well Being	32,332	8,360	11,906	52,598	53,266
HIV/Aids	-	-	-	-	2,289
Regeneration Zone	-	-	-	-	11,626
Mental Health Empowerment	84,361	33,942	28,674	146,977	152,158
Advocacy	23,165	9,156	8,109	40,430	22,033
Fundability	-	5,892	-	5,892	4,200
Compact	34,759	9,965	13,490	58,214	66,836
Regional Compact - GOWM	-	2,100	-	2,100	7,900
RPRS/Skills & Training	-	5,164	-	5,164	48,273
Volunteer Services	42,876	25,981	21,342	90,199	19,000
Drug Services User Involvement	38,026	21,428	20,722	80,176	84,317
Outcomes	15,548	3,850	5,033	24,431	23,036
Community Accountant	39,817	5,670	14,053	59,540	59,719
Championing the Sector	30,042	664	4,294	35,000	35,000
Commissioning	20,375	2,355	4,635	27,365	12,816
Cap Builders Refurb 08-09	-	4,602	-	4,602	5,127
Cap Builders Refurb 09-10	-	7,454	2,194	9,648	-
Pathfinder	18,430	65,004	6,352	89,786	75,000
Regional Pathfinder TPC	3,631	84,531	1,838	90,000	-
ABCD Take Part	-	43,560	5,640	49,200	-
Mediation	-	20,357	-	20,357	-
Third Sector Support	-	14,571	-	14,571	-
LINK	61,544	39,195	22,599	123,338	94,191
TOTAL RESTRICTED	484,369	415,621	185,218	1,085,208	838,419
TOTAL EXPENDITURE	623,967	460,482	179,452	1,263,901	1,002,994

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

6a Support Cost Breakdown by activity	2010 £	2009 £
Staff costs	40,543	30,162
Property	58,579	53,104
Office	63,941	50,681
Depreciation	3,393	990
Professional fees	12,996	10,398
Total	<u>179,452</u>	<u>145,335</u>

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.

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.

In 2009-10 WVSC is showing a "surplus" against support costs of £23,477. This is due to the presentation of the overhead/support costs recharge. In the accounts in core activity this recharge is not shown as income but rather netted against expenditure.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 *(continued)*

7 Breakdown of Governance Costs

	2010	2009
	£	£
Audit and related fees	4,212	5,539
AGM	1,698	1,700
Merger Costs		18,072
	5,910	25,311

8 Net incoming/outgoing resources before transfers

	2010	2009
	£	£
This is stated after charging:		
Rentals under operating leases	42,000	42,000
Auditors' remuneration	4,212	5,539
Auditors' remuneration – non audit services	-	-
Depreciation – owned fixed assets	11,818	6,922

9 Tangible Fixed Assets

	Refurb on Lease	Computers and Office Equipment	Total
Cost	£	£	£
31 March 2009	16,666	117,610	134,276
Additions	18,330	6,926	25,256
31 March 2010	34,996	124,536	159,532
Depreciation			
31 March 2009	175	91,966	92,141
Charge for the year	2,105	9,713	11,818
31 March 2010	2,280	101,679	103,959
Net book value			
31 March 2010	32,716	22,857	55,573
31 March 2009	16,491	25,644	42,135

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2010 *(continued)***10 Debtors**

	2010	2009
	£	£
Trade debtors	110 857	85,646
Payments in advance	14,436	15 719
	<u>125,293</u>	<u>101,365</u>

11 Creditors: amounts falling due within one year

	2010	2009
	£	£
Deferred income	851	-
Other creditors	19 703	43 095
Accruals	35 046	27 908
	<u>55,600</u>	<u>71,003</u>

12 Analysis of Deferred Income

	B/f 01.04.09	Released	Received	C/f 31.03.10
	£	£	£	£
Deferred Income	-	-	851	851
	<u>-</u>	<u>-</u>	<u>851</u>	<u>851</u>

13 Analysis of Net Assets Between Funds

	Unrestricted	Restricted	Total 2010
	£	£	£
Tangible Fixed Assets	12 254	43 319	55,573
Current Assets	348,780	378,800	727,580
Current Liabilities	(11,639)	(43,961)	(55,600)
	<u>349,395</u>	<u>378,158</u>	<u>727,553</u>
Net Assets at 31 March 2010	349,395	378,158	727,553

WOLVERHAMPTON VOLUNTARY SECTOR COUNCILNotes forming part of the financial statements for the year ended 31 March 2010 (*continued*)**14 Reserves and Reconciliation of Movements in Funds**

	31 March 2009 £	Transfers £	Incoming Resources £	Outgoing Resources £	31 March 2010 £
Unrestricted funds:					
General unrestricted fund	233 484	86,654	203 333	181,808	341,663
Designated funds incl operation liabilities	9 197	1,330	-	2,795	7,732
Restricted funds:					
Advocacy – Learning Disability	-	-	40,430	40 430	-
ABCD	-	-	49,200	49 200	-
Capacity Builders Refurb 08-09	15 515	-	5,160	4 602	16,073
Capacity Builders Refurb 09-10	-	-	27 978	9 648	18,330
Championing the Sector	-	-	35 000	35 000	-
Commissioning	-	-	27 365	27 365	-
Community Accountant	25,028	-	63 383	59 540	28,871
Compact	23 431	8 000	45 200	58,214	18,417
Fundability	13 270	-	-	5 892	7,378
Health and Well Being (HSC)	22 236	-	57,754	52 598	27,392
LINK	56 033	-	153 334	123 338	86,029
Mental Health Empowerment	83 640	-	141,410	146 977	78,073
Mediation	-	-	20,357	20 357	-
Outcomes	12,645	-	24,210	24 431	12,424
Pathfinder	-	-	89 786	89,786	-
Quality Initiative	10,000	-	-	-	10,000
Regeneration Zone	8 657	-	-	-	8,657
Regional Compact	2,100	-	-	2 100	-
Regional Pathfinder Champions	-	-	90,000	90 000	-
RPRS – Skills and Training	108,392	(95 984)	-	5 164	7,244
Services User Involvement - SUIT	31,020	-	89 829	80 176	40,673
Specialist Services	-	-	55 620	55,620	-
Third Sector Support	-	-	15,000	14,571	429
VOICE	-	-	5,000	-	5,000
Volunteer Services	-	-	103,367	90,199	13,168
	654,648	-	1,342,716	1,269,811	727,553

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (*continued*)

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

In 2009-10 £95,984 was transferred from the RP-RP funds to general reserves. This is following confirmation of final figures by the LSC, who funded this work. This surplus is now available to support activity in furthering the objectives of WVSC.

£8,000 was transferred from general reserves to Compact. This is following agreement by Wolverhampton City Council to transfer under spend within the WCC core grant to Compact activity, due to Compact receiving no funds from WCC in 09-10.

£1,330 was transferred to designated funds from general reserves – this represents under spend on work around improving safety within the working environment, from a funding organisation which no longer exists. The commitment is to spend the remaining funds on organisational safety.

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 Trust 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. Further 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: The balance in designated funds is £7,732, which represents £1,330 for improving safety within the organisation for staff and visitors (see note 14) and £6,402 for a combined Website and Office Refurbishment fund.

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.

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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (*continued*)

Advocacy – Learning Disability 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

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

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

RP-RS/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 Refurbishment nos. 1 and 2 one-off grants 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

Regional Take Part Pathfinder: the dissemination and development of Pathfinder (see above) across the region

ABCD Take Part Pathfinder – to enable local communities to influence service delivery and decisions that affect the area – using the Take Part approach

Mediation Programme – this seeks to underpin the sustainability of service delivery in third sector organisations providing public services that are in dispute over a violation of the compact agreement(s)

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

VOICE – this is funding for the VOICE publication which communicates locally about issues which affect the third sector

Third Sector Support – this is funding to develop the effectiveness of the Wolverhampton Third Sector Partnership

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

	2010	2009
General activities	<u>31</u>	<u>28</u>

The aggregate payroll cost of these persons was as follows

	2010 £	2009 £
Wages and salaries	579,677	523,385
Social security costs	44,384	40,106
Other pension costs	40,449	35,637
	<u>664,510</u>	<u>599,128</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

	2010 £	2009 £
Salaries	93,724	111,636
Other expenses	22,319	39,993
	<u>116,043</u>	<u>151,629</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2010 (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 10.7% 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 2010 WVSC had annual commitments under non-cancellable operating leases as follows:

	2010		2009	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date:				
In one to two years	-	-	-	-
In two to five years	-	13,091	-	12,159
After five years	42,000	-	42,000	-
	<u>42,000</u>	<u>13,091</u>	<u>42,000</u>	<u>12,159</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 2010 (*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 £222,642 from this source during 2009/10.

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 had been made against the charity by a member of staff for damages arising from an injury sustained on the charity's premises, in 2008-09. This claim is covered by WVSC's Insurers and is currently being contested. The Trustees consider that in any event there will be no liability for WVSC.