

Company number 2288239

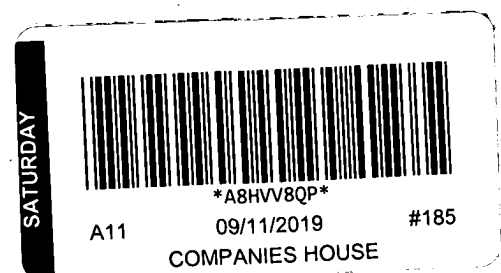
**Wolverhampton Voluntary Sector
Council (Limited by Guarantee)**

Registered charity number 700910

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

Year Ended

31 March 2019



Contents

Page:

1	Legal and Administrative Information
2 - 19	Board of Trustees Annual Report
20 - 22	Report of the independent auditors
23	Statement of financial activities - SOFA
24	Balance Sheet
25	Cash flow statement
26 - 39	Notes forming part of the financial statements

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Legal and Administrative Information

2018-19

Charity Name

Wolverhampton Voluntary Sector Council (WVSC)

Board of Trustees

Steve Clay (Chair)
Janet Clarke Lewis
Pamela Cole-Hudson
Lesley Davies
James Fox
Anne Marie Harrison
Mike Hastings
Anna Place

Secretary and registered office

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

Key Management

Ian Darch
Saffi Price
Lynn Wetherill

Chief Executive
Deputy Chief Executive
Finance Manager

Company number

2288239

Registered charity number

700910

Auditors

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

Financial Statements

Trustees' responsibilities in relation to the 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. The financial statements comply with the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

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.

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 is delegated to the Deputy Chief Executive who is currently supported by a part time Operations Manager, part time HR administrator and a receptionist. A Finance Manager (25 hours pw) is supported by a Finance Officer (30 hours pw) and has overall responsibility to the CEO for finance systems and processes. A robust financial delegation system is in place with each project lead having day to day responsibility for their own budgets.

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.

The Articles of association were reviewed and changes agreed at the 2018 AGM. These changes were a response to difficulties in achieving quorums at some meetings thus hindering effective and prompt decision making. In essence the changes reduce the size of the Board and quoracy requirements, while also ensuring effective governance and board oversight.

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 changes agreed at the 2018 AGM maintains a Board structure which reflects our customers and the environment in which we operate. The current Board make up and quoracy requirements as outlined in the Articles of Association are as follows:

The minimum number of directors shall be 6 and the maximum number of directors shall be 12. This Board of Directors will be made up of:

- (1) A minimum of 4 and a maximum of 6 Voluntary and Community Organisations operating in Wolverhampton who are members of Wolverhampton Voluntary Sector Council.
- (2) Individuals, who can be invited to join the Board for their expertise including as “experts by experience”
- (3) A minimum of 2 and a maximum of 3 other partners from the private sector, education sector, and public sector. These directors may not be eligible to be members of Wolverhampton Voluntary Sector Council but they must support our objects.
- (4) The City Council has observer status on the board and may invite any person to attend the charity’s meetings (both directors and general meetings) as an observer without the power to vote. This observer will not be counted in the quorum.

The quorum shall be 3 or such larger number as may be decided from time to time by the directors. This quorum must include at least 2 directors from 28(1) and at least 1 from 28(3).

The quorum must have Voluntary and Community Organisations in the majority. This is so that any changes or any issues requiring a vote will need to be supported by third sector members.

At the time of this report there were 4 vacancies on the board (1 VCS, 1 Partner and 2 Individuals), we are awaiting paperwork from one new Director (partner) and have identified an individual who has agreed to join the board. We will be working over the coming months to fill the remaining positions.

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, key partners, or individuals most Trustees are familiar with the work of WVSC. Each new board member meets with the Chief Executive for an induction and is provided with a recently updated induction pack.

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 revised strategic document was adopted in 2017/18.

Organisation Structure

WVSC has a management committee of up to 12 members who meet bi monthly 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. The structure underneath the board is as follows:

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.

A Remuneration Committee consisting of the Chief Executive and Deputy Chief Executive has been delegated by the Board to make salary adjustments in order maintain a fair and equitable salary structure within the organisation. Any changes to the salaries the Chief Executive or Deputy will be considered by the Executive Committee.

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 Deputy Chief Executive meet on a regular basis, with other senior managers as required, 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, as required, with Senior Managers 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 Deputy CEO, the Finance Manager and the Project Managers of Talent Match and the social prescribing project. The Deputy CEO manages the other 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 income and expenditure are in place along with an effective credit control system. Regular reports to Board ensure overall financial prudence and allow for the management of any financial risk.

Partner Organisations

WVSC is a member The National Council for Voluntary Organisations (NCVO), NAVCA and The Chamber of Commerce

As an umbrella organisation for the sector, WVSC has a major strategic role in Wolverhampton and works with partners locally, sub-regionally and nationally in order to achieve shared outcomes. To this end WVSC works in partnership at a number of levels and these can be summarised as follows:

Members/VCCOs: WVSC has a role in working with its members and other VCO's 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. At the most strategic level this includes membership of the City Board and Chairing the Inclusion Board. In addition WVSC has the role of facilitating the Third Sector Partnership.

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.

In particular:

- WVSC is the lead body for Talent Match: a lottery/ESF funded, Black Country project aimed at supporting people aged 18-29, who have been NEET for at least six months, nearer and into employment. Led by young people the project sub contracts to a range of VCOs in order to deliver some challenging outcomes.
- Black Country Together (BCT) has been developed by the four CVS's in order to support the delivery of services by the VCS on a sub-regional level. WVSC is one of the four members of the organisation. BCT currently oversees the delivery of a contract worth £2M, from the Arts council (subject to Business Plan) and acts as the accountable body for one strand of the Building Opportunities, European Social Inclusion Fund (families in poverty). Delivery of this commenced in mid-2016.
- We are the lead body for the Preventative Partnership (Previously called the Third Sector Consortium), a group of three delivery partners funded by the Clinical Commissioning Group and working to reduce A and E attendance and improve level of re-ablement among older people leaving hospital.
- We lead a consortium of VCOs to deliver "Girls Allowed" a project working with girls in gangs or at risk of becoming part of the gang culture.
- We deliver the Cities Social Prescribing Service which brings together Health (and Social Care) services, people who are referred from those services in order to address loneliness, isolation, low level mental health issues and so on; and VCOs who provide the prescriptions

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 a key focus 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 City Board and Chair of the Inclusion Board (one of three City Board sub boards), working closely with statutory sector colleagues in reviewing and overseeing the delivery of Wolverhampton's City Strategy.

WVSC, primarily through the Chief Executive and the YOW Project Manager, also represents the sector on a wide range of other forums. At the current time these include:

Children and Families Together Board
Community Cohesion Forum
Black Country Grants Committee
Safeguarding Boards

Through the Third Sector Partnership, WVSC also facilitates representation on a range of strategic and operational forums including:

The Police and Crime board
Employment and skills board
Health and Well Being board
Safeguarding boards

In addition, the Board and senior staff of WVSC work closely with statutory sector colleagues on a range of strategic matters such as the those relating to the Old School, social value, co-production, strategic funding and so on.

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 internal risks have increased significantly in recent years as WVSC's role in leading complex consortia activities, such as Talent Match, has grown. The decision to engage with IMPACT, an ESF funded programme led to further risks associated with a complex funding stream. This has required a significant strengthening of our internal checks and controls and carefully considered flexibility in our relationships with sub-contractors, for example with regard to payment terms, including some payments in advance to smaller organisations. Particularly with regard to IMPACT we have strengthened our finance capacity within the Talent Match/ IMPACT project and increased involvement at CEO level, with regular internal meetings and ongoing reconciliation and other checks

The Overall risk is minimised 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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

These systems, coupled with a small but very competent finance team being in place means that we are working well in a complex environment. The financial outturn for the year under report would seem to illustrate this with a modest surplus on our unrestricted budget being returned and no significant or unauthorised overspend in any of the restricted budget areas.

Our continued membership of WMPF for long standing and ex staff members does present an on-going financial challenge that will be with us for many years and we have needed to negotiate more manageable rates and penalties with the scheme. This challenge would be more acute were we to suffer any significant reduction in our size as the financial burden would become a greater proportion of income. Our auto enrolment pension scheme, introduced for all other staff is running smoothly with good take up.

In the year under report the Board agreed a budget showing a small surplus, an improvement on previous years where either "deficit" or "break even" budgets had been agreed. In the event, after transfers to restricted and designated funds of £2,005, careful management and some increase in activity during the year has led to a surplus of £86,836 (2.45% of income).

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

The main risk continues to be the changing role of local authorities and the reduction in the funding they make available to WVSC and other third sector organisations, the impact has included us subsidising our Infrastructure work from earned income. Part of our response to this has been to access EU funds to supplement Talent Match activity and to allow the Volunteer Centre to cover its costs while working with some customers in a more intensive fashion. The EU regime brings additional risks, not least the risk of "clawback" that we need to work hard to avoid. Beyond 2021/22 "Brexit" (if it goes ahead) will mean the removal of a funding stream growing in importance to us. We have recently been involved in consultations with central government (Office for Civil Society) with regard to what will replace EU funds following any departure.

Operational

We work in an environment where the weight and complexity of legal requirements in areas such as health and safety, employment law, equal opportunities and GDPR is growing, and this places all organisations at risk. In order to help manage this WVSC has a strong senior management structure. The Deputy Chief Executive takes a lead on internal policies and procedures, many of these have been recently reviewed and a clear procedure for future review is in place. We receive support from Roots, a specialist HR Company to advice on recruitment and employment practices and subscribe to ONE as part of our insurance package, a service that provides information and advice on Health & Safety, Human Resources and Employment, Legal and Regulatory issues and Guidance; and Business Continuity/Disaster Management.

The Board 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, ongoing reductions 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. This is one focus of the Senior Management team that meets regularly and as part of its agenda considers any operational issues that need to be addressed.

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 Deputy are three months and for other managers it is two months (three months for Talent Match); this does reduce the risk of key posts being left unfilled for any significant time.

Staff turnover is relatively low, consistently running near or below 10%.

Staff sickness rates for this year averaged 4.5 days per employee, this is an increase on last year (2.6 days) but still compares favourably with other organisations and sectors. Unusually, 6 staff (of 52) exceeded the Bradford Score, (a diagnostic tool which assists in identifying frequent short term absences). In all 6 cases there were mitigating circumstances and, where appropriate, additional support has been identified. 38 staff took less than 5 days sick leave of which 19 took none.

Objectives and Activities

A strategic document clarifying our objectives and how our activities meet these was completed in 2017/18 and remains in place. In developing this trustees considered the Charity Commission's guidance on public benefit.

Values:

We believe:

1. Everyone should be given the opportunity to fulfil their potential.
2. That the Voluntary and Community Sector has an important role in ensuring that people facing disadvantage or discrimination are not left behind.
3. In community action and volunteering as a route to full citizenship.
4. That we can achieve more by working in partnership with others

Our Mission Statement:

“WVSC works to maintain and develop a thriving and diverse voluntary and Community Sector”

In order to achieve this, the following objectives have been agreed by the Board of Trustees.

1. Work with groups and organisations, enabling them to provide high quality support and services
2. Promote and champion Wolverhampton's VCS locally, regionally and nationally
3. Develop opportunities for people to engage in volunteering
4. Support groups of people to influence the decision making processes that matter to them

How we do what we do

Our flexibility and experience enables us to use different methodologies to support service users. These methodologies include;

- 1) Being a **provider of support** to existing or new VCS organisations.

This work is funded through our Infrastructure contracts with WCC, subsidised by “earned income”.

It includes:

- ✓ One to one support and training
- ✓ Funding advice
- ✓ Beginning in the year under report, advice and support on social enterprise and social investment
- ✓ Specialist Support in areas such as safeguarding, governance etc.
- ✓ Recruiting volunteers for organisations and supporting those organisations to retain and develop their volunteer workforce.

- 2) As a **developer, member or supporter of VCS consortia**, enabling groups of VCS organisations (and statutory providers) to work effectively together.

This includes

- ✓ Developing the cities Social Prescribing Service, which is successfully linking primary care provision and social prescribing via link workers, in order to improve health outcomes for individuals and reduce pressure on traditional health provision
- ✓ Supporting the Headstart consortia of VCOs
- ✓ Supporting organisations to work together to bid for counselling services.

- 3) Working as a **responsible body or managing agent** to VCS organisations and projects, providing whatever support is needed to win and manage specific commissions.

This includes overseeing the following consortia:

- ✓ Talent Match, which is our largest project and supports young people across the Black Country who are furthest from the workplace, to get nearer and into employment,
- ✓ Girls Allowed, which supports young women and girls in Wolverhampton to avoid engagement with gangs and gang activity,
- ✓ System Resilience, which support people to make better choices about their health care, keep themselves well and avoid returns to hospital after discharge.
- ✓ Most recently Building Connections aimed at tackling loneliness

- 4) As a **representative for the voluntary and community sector** on a wide range of local, regional and national bodies, involved in strategic thinking and planning of services and investments that will impact on priority groups in our area.

This includes:

- ✓ Chairing strategic bodies (Inclusion Board, Community Offer steering group)
- ✓ Sitting on bodies such as the City Board, safeguarding forums and Children and families together board.

- 5) As a **champion and promoter of the sector as a whole**, promoting and providing channels of communications across the hundreds of VCS organisations in our area.

This includes:

- ✓ Providing communication within the VCS and between it and public sector bodies.
- ✓ Making the sector aware of funding opportunities
- ✓ Raising awareness of in areas such as social investment
- ✓ Operating the Third Sector Partnership
- ✓ Speaking on behalf of the wider sector and organising representation from the sector on strategic forums.

- 6) Being a **direct provider of services to end users**, (only) in cases where this work cannot be done more effectively by other organisations.

- ✓ At the current time this is primarily work delivered by SUIT to people who use drug treatment services. We are in the process of negotiating the details of a sub contract with RNU to continue delivery.

Who do we work with?

- We work where there is an identified need as defined by the changing priorities in our own and our partner's needs assessment work. These include at present;
- Voluntary organisations and community groups that deliver services and support to the local community
- Communities or groups setting up or developing their own voluntary or community organisations.
- Those wishing to volunteer or take social action.
- Individuals in need, where WVSC is best placed to deliver a direct service including:
 - The unemployed and especially the young unemployed.
 - Those involved in drug and substance misuse.
 - Those suffering from mental illness
 - Those with an offending background
 - Other people who use Health and well-being services
 - Other groups of people who may be vulnerable
 - Those wishing to influence public services
- Public bodies including Wolverhampton Council, CCG, The Police, Colleges and University and others

Why people and organisations choose to work with us

- We employ a model of local growth and development that uses national, regional and local resources to provide quality local services that in turn generate local economic multipliers by providing employment, training and organisational support to local community and voluntary sector bodies.
- We have relationships with priority groups in the community, we can support improved reach and influence
- We understand the long term value of building social capital.
- We always work in partnership across the VCS, the statutory sector and service users. We are expert in developing and supporting the many different models of partnership, social enterprise and joint venture that are needed.
- We are expert in planning and delivery models based on co-design and co-production. Such methodologies are efficient and effective ways of working across sectors and community groups.
- We provide support that leads to the provision of services that are effective and efficient when compared to other models of provision.

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 recent times the development of Social Prescribing has seen a greater focus on our sector as the enthusiasm and need for “social prescriptions” grows. 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) Delivers the Cities Social Prescribing Service
- C) Enables meaningful participation in the work of partners both City-wide and at the neighbourhood level

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.

- 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.

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. Talent Match, the Preventative Partnership, Girls Allowed, Black Country Together and latterly Social Prescribing provide a vehicle for supporting voluntary organisations to work together to delivery 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 when this is feasible. 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.

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 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 over 1000 new volunteers a year, with some 350 registered organisations offering placements. The service also supports our most vulnerable citizens through BBO (Building Better Opportunities) working more closely with them to help ensure they can use volunteering, training and other routes to move nearer and into employment their volunteer placements.

Wolverhampton Volunteers has achieved the quality standard - the Volunteer Centre Quality Accreditation (VCQA) - developed by Volunteer England, which focuses on the six core functions of a volunteer centre and of which only one is available in each locality.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

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 and 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.

In 2016/17 we secured EU funding to work intensively alongside people facing significant barriers to employment and for whom volunteering will be part of the solution. This aspect of the Volunteer service works with 50 people a year. Funding for this work has recently been extended until 2022

WVSC does offer opportunities for volunteering, primarily within SUIT where volunteers are central to the delivery of the service. Opportunities elsewhere within the organisation are ad hoc but do regularly offer themselves.

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

Infrastructure support and trading: Earned income and income from bank interest has increased to £87,014 (2017/18 £57,768) this is primarily as a result of a one-off increase in accountable body fee income. Aside from a particular challenge with EU funding, mitigated by support from Dudley MBC, cash flow continues to be positive.

Safety fund: This was set up several years ago to be used to fund any safety initiatives within WVSC such as security lighting etc.

Operational Liabilities: This fund is in place in order to ensure that WVSC can meet its liabilities in the event of closure in the future.

Restricted funds

Active Citizens Fund: The Social Prescribing Service accessed resources through "Active Citizens" funding that originated from the Police. This funding of £2,000 was used to run a series of "safety events" with input from the police and fire service. The added value is the increased connectivity between attendees. The remaining funds of £354 will be used to support future similar events.

Faith Engagement: Funding to develop stronger links with Faith Organisations, focusing on raising awareness of safeguarding. This work straddles 2018/19 and 2019/2020 and it is anticipated that funds will be fully spent during that period albeit an extension is a growing prospect.

Girls Allowed: This project is funded from the Tampon Tax Fund through a partnership between HM Government and Comic Relief and is working to support girls at risk of being drawn into gangs. After 18 months of delivery the project was extended for a further 18 month period. WVSC is the accountable body with the bulk of the activity and funding being subcontracted to VCS partners. The carried forward balance of £100,749 is the result of timing issues, (with payment being made in advance) and some underspend to date. There is also some re-phasing of delivery activities, and it is anticipated that all funds will be spent on the project in the year ahead.

Infrastructure Support: This service provides a wide range of support to local VCO including in the areas of funding, governance, safeguarding, policies, GDPR, information etc. This also incorporates the former YOW support worker focused on organisations working with Children and Young People and with a significant role in safeguarding within the City, particularly supporting CWC colleagues. These activities are delivered with £100K pa contract from City of Wolverhampton Council. In the year under report City of Wolverhampton Council made a one off payment of £23k to allow the YOW worker to remain working for YOW in a full time capacity. This has not been repeated for 2019/20 and the worker has now reverted to half time on this project with a commensurate reduction in input.

In the year under report, after the receipt of the additional £23k payment, the subsidy to providing these services was £10,183, a slight increase on the previous year (£7,929) and is an approach that is not sustainable on an ongoing basis.

Infrastructure Support (Reserve) of £23,466 is held for partnership working with CWC and training in the sector, including on the development of Wolverhampton for Everyone (through a transfer of funds of £1,707 in the year under report) and the compact. There is also a pension liability in this area. Aside from these liabilities remaining funds will be spent on partnership working, specifically focusing on Wolverhampton for Everyone, an emerging WVSC supported movement in the City.

Life Chances: A grant of £30K was secured in order to develop a business case for a social investment model to deliver intervention to reduce demand on hospital services. The work has been completed and all due monies paid but unfortunately the business case was not progressed by the funder. The use of the remaining balance of £11,868 will be negotiated with the funder during 2019/20.

Social Enterprise Wolverhampton: Funding of £42,000 from Barrow Cadbury to be spent over 2018/19 and 2019/20 in raising awareness and the take up, by local VCOs, of social enterprise and social investment opportunities.

Mental Health Empowerment Project (MHE): This project was funded by CWC but the funding was withdrawn in 2017/18. A donation from Hear our Voice last year following its closure is being used in the support of peer led groups. In addition there is a significant pension liability within this project and some reserves are being used to cover the associated costs moving forward. At the end of the year under report the CCG allocated funding to re-invigorate this project, these funds, along with any remaining reserves will be used as required to support MH groups, including covering the costs of small grant for rent etc. into the future. The combined balance on these funds is £85,569.

Micro Enterprise: This project came to an end in 2015/16. Remaining funds of £1,926 were utilised during the year under report to mitigate under recovery on the Infrastructure contract which is funded from the same source.

Public Health Transformation: A joint 2 year project with the City Council funded through Public Health over 2016-18 and aimed at developing greater co-ordination of activity across the Health and Social Care Landscape. A lack of engagement at a strategic level caused the project to stall and that has meant that not all funds have been utilised. The grant was provided by Wolverhampton Public Health, a body that no longer exists. In light of this the unspent funds of £10,324 will be made available to support the developing social prescribing service which has similar aims to this fund.

(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 and provides direct support to service users using a model based on abstinence based recovery. This work was

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

funded during the year through public health within the City Council. 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 contract was tendered during 2017/18 as part of a wider "lot". As a result of this we are now subcontracted to NACRO in delivering the service and expect a formal contract to initially run until 2021. The in year overspend of £5,667 is unlikely to be repeated following the departure of the previous Manager and subsequent saving on salaries.

Social Prescribing: The project works with "patients" to identify alternative approaches to tackling issues such as low level depression, isolation and frequent GP contact that can better be tackled by diversion to activities within the VCS such as wellbeing sessions, group activities, exercise etc., rather than by medical interventions. Additional funding was secured during the year from the Department of Health (DoH) and this was accompanied by a resourcing agreement from the CCG, securing the project future until at least 2020/21. The balances of £59,293 (CCG) and £3,569 (DoH) have been brought about by timing issues between CCG and DoH funds and will be used in 2019/20 and 2020/21 to make good anticipated shortfalls. This is a growing area of work that offers significant opportunities for the future.

Building Connections: Jointly funded by the National Lottery Communities Fund and Central Government this grant was utilised in the year to help tackle loneliness. Funding is for 2.25 years, continuing until April 2021, WVSC is the accountable body and the bulk of activities are delivered by VCS organisations. This is another example of WVSC supporting collaborative working through consortia. The work is managed via the Social Prescribing project and helps it to deliver its aims.

Talent Match: The project is Black Country wide and initially runs for 5 years. Its key focus is on mentoring, with each young person being offered a mentor on no more than a 10:1 ratio. While WVSC employ the Talent Match core staff team, the bulk of the resources are spent with partners who run Talent Match hubs, host staff and provide other funded interventions through a preferred supplier network. Key to the project is that young people, with businesses, are central to all decision making.

In recognition of our excellent delivery we are one of only 3 Talent Match projects that was offered "continuation funding", "subject to match". The Project's new focus, from 04/19 is on offenders aged 18-29. Match was secured via IMPACT (see below) and the project will now continue, with its different focus, until April 2022. The year-end balance of £398,039 will, having reached agreement with the funder, be utilised in delivery over the next three years.

Talent Match/ IMPACT: Talent Match is also part of IMPACT, an ESF/YEI funded project delivered in partnership with the four Black Country Local Authorities. Currently funded until July 2021 this project provides the match funding that had been required for the continuation of the core Talent Match Project. It will also allow us to work with some non-offenders over the project lifetime. Our agreement with Dudley MBC (the accountable body) that they pay us based on submissions rather than when they receive funds from DWP significantly mitigates any cash flow issues. The balance of £6,571 is the result of timing of claims and payments. All funds will ultimately be used in delivering the project.

Talent Match – Satellite Clubs: This funding, from the Black Country Consortium, was to establish 5 clubs across the sub region which will bring together young people from Talent Match and elsewhere in order to encourage engagement in sporting activities. This is a "one-off" grant and has been spent in full.

Think Family Champions: Also known as Pathways to Support this was a one year project spanning two financial years (2017/18 and 2018/19) and commissioned by CWC. The project aim was to develop mentoring type relationships between Adult facing and Child facing services in order to raise awareness and understanding of safeguarding issues within the former. WVSC was the accountable body for this work and

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

employed the Project Manager. The balance of £23,377 arose mainly as a result of staffing changes towards the end of the project, with the subsequent work being delivered by in-house resource. The balance has been transferred to unrestricted reserves.

Third Sector Consortium: Funded by the CCG this work involves a small consortium of three organisations supported by WVSC, which is the accountable body, to work together to reduce admissions to A and E and to improve levels of re-ablement among elderly people leaving hospital. The project has delivered to the satisfaction of its funder and funding has been extended for a further year (2019/20). The balance of £5,491 (£4,993 in 2017/18) is as a result of underspend against some budget headings and will be utilised in project delivery in the years ahead.

Third Sector Partnership: This funding supports the smooth running of the third sector partnership, including funds for administration, room hire and refreshments. No specific funds have been allocated to this work in year although it does form part of our contractual agreement for providing infrastructure support. The balance of £1,022 (£1,526 in 2017/18) is the residue from funding previously made available specifically for the TSP and will be used to support ongoing delivery.

Volunteers - BBO Bridges: Part of our offer to Volunteers this project works with those furthest from the workplace who want to use volunteering, alongside other support, to obtain employment. Following successful delivery we have been offered, and accepted, an extension of the project until June 2022. Payments are made against profile and the resulting balance of £1,947 (£6,718 in 2017/18) will be used in the delivery of the service during 2019/20.

Wolverhampton Volunteers: The project forms the basis of our volunteering offer and is outlined above. After several years of subsidy from WVSC this project now broadly breaks even. The balance of £10,726 (£10,524 in 2017/18) will be used in future delivery. -

Wolverhampton for Everyone: A “movement” being championed by WVSC and other partners, with the aim of involving increasing number of citizens in a “people powered” city. Partnership between WVSC and the CWC is one element of this work. To begin the work on W4E £1707 was transferred from the infrastructure support reserve (compact) with which it shares ideals. Moving into 2019/20 CWC have agreed to make a financial contribution in order to enhance the development of this movement.

YOW – Children’s’ workforce: This fund is restricted for use in training the children’s’ workforce in the City. The balance of £4,140 (unchanged since 2017/18) will be used in this way in the years ahead.

Overall Achievements and Performance

During the year there was a decrease in income from £5,338,636 (2017/18) to £3,542,243. This decrease is primarily as a result of the planned reduction in funding for Talent Match in the final year of its first incarnation as that stage of the project came to an end. This reduction is in part counteracted by the increase in funding for social prescribing. In addition: Think Family Champions and Faith Engagement projects took place during the year adding some £150K to our income. While we continue to seek new opportunities to deliver our aims and objectives, and anticipate additional success during 2019/20, our largest project, Talent Match will be reduced in size from the end of the year under report. It is thus anticipated that the recent upward trend in overall income will be reversed to some degree in the years ahead.

This year has seen a welcome and much needed continuation of a surplus, of £86,836 (2.45% of income, comparable figure of £124,511 in 2017/18). The deficit on infrastructure support was agreed at the beginning of the year by the board and reflects our commitment to supporting the wider VCS. All other in year deficits are as a result of expenditure against exiting balance or, in the case of SUIT a planned deficit.

While the income profile remains positive we continue to struggle to secure sufficient resources to deliver our core work of providing direct support to VCOs. The development of consortia has meant that almost £2.7M has been spent, primarily with VCO subcontractors, in the year and this, in part, offsets the reduction in “core” support available.

The year under report, as with last year, has been a challenging one as we have worked hard to maintain the quality and breadth of our provision while continuing to develop our strategy of increased collaborative working.

All of WVSCs work is delivering well against its targets and contracts and we continue to lead the way in terms of innovation across the City, championing new initiatives such as social prescribing, social investment and the and working alongside public bodies and community groups to turn aspirations of a meaningful “community offer” and the aim of one health and social care system, into a reality that benefits our sector and the many thousands of people it supports.

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. 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 2018/19 accounts this policy gave us a figure to work towards of £677,435. Within this amount, funds of £115,506 (2017/18 £104,048) are closure costs, which are now represented by a designated fund, and £561,929 are the running costs for 2018/19 as required by the reserves policy.

As at 31 March 2019, WVSC’s unrestricted reserves are £519,139 (£432,303 in 2018). This includes £115,506 for closure costs and £1,330 safety fund, leaving a residue of £402,303 (£326,925 in 2018) as contribution towards the target of 6 months running costs, as directed by the reserves policy.

Plans for the future

Our Infrastructure and Volunteer Centre contracts are in place until 2020/21 with an expectation that they will remain until at least 2022/23.

SUIT has a sub contract in place with NACRO until 2022/23.

Talent Match funding has been extended until 2021/22 and work is progressing in terms of securing support from the Police and Crime Commissioner and Combined Authority, in early moves to secure funding beyond that time.

In addition we continue to secure resources for additional activities – in this year that has included:

- Funding from Barrow Cadbury in order to raise awareness of social enterprise and social investment and take up of the former.
- Funding from National Lottery Community Fund/ DCLG to help VCOs tackle loneliness
- Funding from the Department of Health in order to expand our Social Prescribing Service.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

In addition we have a strong staff team with relative consistency at senior levels, a strong financial situation with good cash flow and acceptable levels of reserves and we are held in high regard by customers and the vast majority of partners, particularly among current senior Council colleagues.

In the short/medium term therefore we are in a strong and positive position with a strong base for the years ahead. That said, the environment in which we are working is fast moving and we will need to continue to adopt a pro-active and flexible approach to securing resources that help to deliver our aims and objectives.

Social prescribing is a particularly important emerging area for WVSC and our sector, seeing a greater role for VCOs in supporting "mainstream" health provision. In 2019/20 we anticipate developing partnerships with established Primary Care Networks of GPs, with the aim of utilising government resources, allocated to further develop Social Prescribing, to establish one co-ordinated Social Prescribing Service for the City, operated by WVSC.

In light of the on-going austerity, imposed particularly on Local Government; as well as the impact of initiatives such as Universal Credit on many of our most vulnerable citizens, a new approach, one that helps to build community resilience is required. We are leading the way in the development of "Wolverhampton for Everyone", a movement in the City aimed at putting citizens at the heart of responding to the issues that affect them. We hope to see growth in this way of working which includes approaches such as Co-production, crowd funding and so on, in the years ahead.

With the remaining threat of "Brexit", comes particular issues regarding the maintenance of community cohesion and options for replacing European funds that currently make up a sizeable proportion of our funding and that of the wider VCS. In addition the growing expectations on our sector, for example in providing Social Prescription, have not yet been replicated by the promised increases in financial resources. Without that we risk a situation with lots of signposting to shrinking provision or put another way "too many travel agents and not enough holidays".

We will need to work with our sector and partners in order to respond to these additional challenges as they emerge in the years ahead and are well placed to do so.

Auditors

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

Board of Trustees

Steve Clay (Chair)
Janet Clarke Lewis
Pamela Cole-Hudson
Lesley Davies
James Fox
Anne Marie Harrison
Mike Hastings
Anna Place

Appointed 8 May 2018
Appointed 8 May 2018

Suffia Parveen, Dawn Bennet Wilson and Joseph Martin resigned with effect from 8 May 2018.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
Trustees' Annual Report for the year ended 31 March 2019

Disclosure of information to the auditors

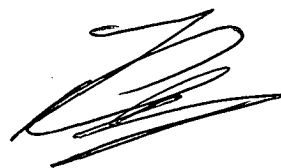
We, the trustees / directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board of Trustees



Ian T Darch
Secretary
19 September 2019



Steve Clay
Chair
19 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL for the year ended 31 March 2019

Opinion

We have audited the financial statements of Wolverhampton Voluntary Sector Council (the 'charitable company') for the year ended 31 March 2019 which comprise a statement of financial activities (incorporating an income and expenditure account), a balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL for the year ended 31 March 2019 contd.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL for the year ended 31 March 2019 contd.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Muras Baker Jones Limited
Chartered Accountants
and Statutory Auditor

19 September 2019

Regent House
Bath Avenue
Wolverhampton
WV1 4EG

Muras Baker Jones Limited 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 2019 (Incorporating an Income and Expenditure Account)

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME					
Income from charitable activities	5	80,603	3,455,229	3,535,832	5,333,022
Investment Income		6,411	-	6,411	5,614
TOTAL INCOME		<u>87,014</u>	<u>3,455,229</u>	<u>3,542,243</u>	<u>5,338,636</u>
EXPENDITURE					
Charitable Activities	6	9,631	4,430,069	4,439,700	4,794,171
TOTAL EXPENDITURE		<u>9,631</u>	<u>4,430,069</u>	<u>4,439,700</u>	<u>4,794,171</u>
NET INCOME / EXPENDITURE	7	77,383	(974,840)	(897,457)	544,465
Transfers between funds	15	9,453	(9,453)	-	-
NET MOVEMENT IN FUNDS	15	86,836	(984,293)	(897,457)	544,465
Total funds brought forward		432,303	1,727,618	2,159,921	1,615,456
TOTAL FUNDS AT 31 March 2019		<u>519,139</u>	<u>743,325</u>	<u>1,262,464</u>	<u>2,159,921</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Balance Sheet at 31 March 2019

			2019	2018
	Note	£	£	£
Fixed assets				
Tangible assets	8		-	-
Investments	9		1	1
Current assets				
Debtors	10	307,825	499,788	
Aldermore/Shawbrook/Virgin/ Triodos Deposit Funds		325,284	527,031	
Cash at bank and in hand		747,494	1,263,675	
		<u>1,380,603</u>	<u>2,290,494</u>	
Creditors: amounts falling due within one year	12	<u>(118,140)</u>	<u>(130,574)</u>	
Net Current assets			<u>1,262,463</u>	<u>2,159,920</u>
Net assets	14		<u>1,262,464</u>	<u>2,159,921</u>
Charity Funds				
General unrestricted fund			402,303	326,925
Designated Funds			116,836	105,378
Restricted Funds			743,325	1,727,618
Total Funds	15		<u>1,262,464</u>	<u>2,159,921</u>

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:

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

The financial statements were approved by the Board of Trustees and authorised for issue on 19 September 2019.



Steve Clay
Chair of Board of Trustees



Janet Clarke-Lewis
Vice Chair, Board of Trustees

Company Number: 2288239

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Cash Flow Statement at 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Surplus / (Deficit) for the year	(897,457)	544,465
Adjustments for:		
Depreciation of tangible assets	-	-
Other interest receivable and similar income	(6,411)	(5,614)
Changes in:		
Trade and other debtors	191,963	(327,305)
Trade and other creditors	(12,434)	(40,143)
Cash generated from operations	(724,339)	171,403
Interest received	6,411	5,614
Net cash from / (used in) operating activities	(717,928)	177,017
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(717,928)	177,017
Cash and cash equivalents at beginning of year	1,790,706	1,613,689
Cash and cash equivalents at the year end	11 1,072,778	1,790,706

1 Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

2 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.

3 Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the entity. WVSC meets the definition of a public benefit entity under FRS 102.

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 102 have not been included in the financial statements. WVSC is in a multi-employer defined benefit pension scheme, WMPF, and FRS 102 requires such organisations to identify their share of the pension scheme's assets and liabilities. However, within FRS 102 this is only to be achieved if "sufficient information" is available to do so. 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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

Accounting Policies (cont.)

Tangible fixed assets and depreciation

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

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

Where 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.

Income

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.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income 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.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

Accounting Policies (cont.)

Expenditure

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

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

Operating leases

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

Fund accounting

Unrestricted funds comprise grants and other 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.

4 Grants payable	2019		2018	
	Number	£	Number	£
Grants to Self-Help Groups – Mental Health Empowerment	12	7,860	13	11,444
Grants to Third Sector Consortium Partners/ Resilience	3	115,304	3	113,304
Grants to Talent Match Partners	10	1,533,774	10	1,673,612
Grants to ESF Impact TM partners	7	804,095	4	1,092,848
Grants to Girls Allowed Partners	7	89,693	5	35,124
Grants to Think Family Champions Partners	6	96,168	6	72,413
Grants to Building Connections Partners	7	16,070	-	-
Grant to Social Prescribing Partner	1	13,474	-	-
	<u>53</u>	<u>2,676,438</u>	<u>41</u>	<u>2,998,745</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

5	Income from	Unrestricted	Restricted	Total	Total
	Charitable Activities	2019	2019	2019	2018
		£	£	£	£
	Big Lottery Fund Grants (BLF)	-	1,343,663	1,343,663	3,036,672
	ESF grants	-	962,190	962,190	1,478,624
	BLF/ESF joint funded programme	-	58,358	58,358	46,511
	BLF/DCMS* joint funded programme	-	16,135	16,135	-
	City of Wolverhampton Council (CWC)	-	336,206	336,206	437,540
	Clinical Commissioning Group (CCG)	-	297,004	297,004	140,897
	Department of Health	-	147,100	147,100	-
	Comic Relief	-	109,314	109,314	92,608
	The Barrow Cadbury Trust	-	42,000	42,000	-
	Police and Crime Commission	-	2,000	2,000	6,210
	Donation	-	1,499	1,499	10,408
	Non Grant Income	80,603	139,760	216,813	83,552
		<u>80,603</u>	<u>3,455,229</u>	<u>3,535,832</u>	<u>5,333,022</u>

* Department for Digital, Culture, Media & Sport

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

6 Breakdown of Costs of Charitable Activity

	Staff Costs	Other Charitable Costs	Support Costs	Total 2019	Total 2018
	£	£	£	£	£
Core Activities	-	-	-	-	(16,993)
Infrastructure Support incl Trading	10,907	(3,423)	2,147	9,631	17,777
TOTAL UNRESTRICTED	10,907	(3,423)	2,147	9,631	784
Active Citizens Fund	-	1,646	-	1,646	6,210
Faith Engagement	10,249	543	2,000	12,792	9,064
Girls Allowed	-	93,883	6,500	100,383	41,832
Headstart	-	-	-	-	88
Big Lottery: Improving Futures	-	-	-	-	74,275
Infrastructure Support	108,953	3,243	22,027	134,223	140,188
Life Chances	-	1,006	-	1,006	17,126
Mental Health Empowerment	5,342	11,153	820	17,315	18,409
Service User Involvement (SUIT)	91,364	13,004	30,309	134,677	137,616
Social Enterprise Wolverhampton	10,319	13,226	-	23,545	-
Social Prescribing - CCG	72,132	5,508	11,594	89,234	139,384
Social Prescribing - DoH	80,251	51,968	11,312	143,531	-
Building Connections	-	16,135	-	16,135	-
Talent Match: Big Lottery Grant	443,315	1,732,907	147,347	2,323,569	2,445,344
Talent Match - Impact (ESF/YEI)	167,727	818,057	39,441	1,025,225	1,409,018
Talent Match – Satellite Clubs	6,330	10,941	-	17,271	1,099
Think Family Champions	35,334	97,289	8,750	141,373	114,750
Third Sector Consortium / Systems Resilience	-	123,006	-	123,006	124,274
Third Sector Partnership	-	504	-	504	182
Volunteer Services Bridges	51,964	3,674	7,491	63,129	51,896
Volunteer Services	43,552	1,092	15,154	59,798	60,747
Wolverhampton for Everyone	-	1,707	-	1,707	-
YOW	-	-	-	-	1,885
TOTAL RESTRICTED	1,126,832	3,000,492	302,745	4,430,069	4,793,387
TOTAL EXPENDITURE	1,137,739	2,997,069	304,892	4,439,700	4,794,171

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

6a Support Cost Breakdown by activity	2019 £	2018 £
Staff costs	203,644	183,771
Property	56,017	50,743
Office	30,861	35,889
Depreciation	-	-
Professional fees	3,596	4,344
Support Costs	294,118	274,747
Governance costs - AGM	3,414	-
- Audit fees	7,360	6,920
Total Costs	304,892	281,667

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, or in accordance with grant agreement arrangements. Any support costs which are not recovered in the actual year, are seen as an additional core service support cost.

7 Net incoming/ (outgoing) resources before transfers

	2019 £	2018 £
This is stated after charging:		
Rentals under operating leases	25,000	25,000
Auditors' remuneration	7,360	6,920
Depreciation: owned fixed assets	-	-

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

8 Tangible Fixed Assets

	Refurb on Lease	Computers and Office Equipment	Total
	£	£	£
Cost			
31 March 2018	34,996	2,250	37,246
Depreciation			
31 March 2018	34,996	2,250	37,246
Charge for the year	-	-	-
31 March 2019	34,996	2,250	37,246
Net book value			
31 March 2019	-	-	-
31 March 2018	-	-	-

9 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 2018-19. Initially WVSC held 100% of the holding, however the articles were amended and subsequently changes resulted in WVSC only holding 25%. However subsequent gifting of two shares have made it so that WVSC now holds 75% of the active holding.

Class of share	% Holding	
Ordinary	75.00	
	2019	2018
	£	£
Aggregate capital and reserves	4	4

Black Country Together C.I.C.

Black Country Together CIC was founded 31 January 2013, by the four Councils for Voluntary Service in the Black Country each with 25% membership, with the aim of increasing levels of funding coming into our sub-region and fostering greater co-operation and collaboration between voluntary organisations and local statutory agencies both within and across borough boundaries.

BCT CIC is a company limited by guarantee without share capital. It is actively trading generating an income of £1,431,649 in the year ended 30 June 2018 which resulted in a small deficit of £23,680 for the year. The balance sheet at 30 June 2018, the most recent set of accounts, showed net assets of £4,694.

Ian Darch, WVSC CEO, is a director of BCT CIC.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

10 Debtors

	2019 £	2018 £
Debtors	194,824	400,790
Payments in advance	113,001	98,998
	<u>307,825</u>	<u>499,788</u>

11 Cash and Cash Equivalents

	2019 £	2018 £
Aldermore/Shawbrook/Virgin/Triodos Deposit Funds	325,284	527,031
Cash at bank and in hand	747,494	1,263,675
	<u>1,072,778</u>	<u>1,790,706</u>

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Deferred income	1,255	0
Other creditors	79,012	89,895
Accruals	37,873	40,679
	<u>118,140</u>	<u>130,574</u>

13 Analysis of Deferred Income

Funder of Deferred Income	01.04.18	Released	Received	31.03.19
City of Wolverhampton Council	£0	£299	£1,554	£1,255

14 Analysis of Net Assets between Funds

	Unrestricted £	Designated £	Restricted £	Total 2019 £
Fixed Assets	1	-	-	1
Current Assets	458,310	116,836	805,457	1,380,603
Current Liabilities	(56,008)	-	(62,132)	(118,140)
	<u>402,303</u>	<u>116,836</u>	<u>743,325</u>	<u>1,262,464</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

15 Reserves and Reconciliation of Movements in Funds

	31 March 2018 £	Transfers £	Incoming Resources £	Outgoing Resources £	31 March 2019 £
Unrestricted funds:					
General unrestricted fund	326,925	(2,005)	87,014	9,631	402,303
Designated funds including operational liabilities	105,378	11,458	-	-	116,836
Restricted funds:					
Active Citizens Fund	-	-	2,000	1,646	354
Faith Engagement	1,078	-	13,456	12,792	1,742
Girls Allowed	91,818	-	109,314	100,383	100,749
Infrastructure Support	26,213	8,476	123,000	134,223	23,466
Life Chances	12,874	-	-	1,006	11,868
Mental Health Empowerment	75,885	-	26,999	17,315	85,569
Micro Enterprise	1,926	(1,926)	-	-	-
Public Health Transformation	10,324	-	-	-	10,324
Service User Involvement - SUIT	-	5,667	129,010	134,677	-
Social Enterprise Wolverhampton	-	-	42,000	23,545	18,455
Social Prescribing - CCG	527	-	148,000	89,234	59,293
Social Prescribing – DoH	-	-	147,100	143,531	3,569
Building Connections	-	-	16,135	16,135	-
Talent Match: Big Lottery Grant	1,373,445	-	1,348,163	2,323,569	398,039
Talent Match - Impact (ESF/YEI)	69,606	-	962,190	1,025,225	6,571
Talent Match – Satellite Clubs	11,021	-	6,250	17,271	-
Think Family Champions	25,000	(23,377)	139,750	141,373	-
Third Sector Consortium / Systems Resilience	4,993	-	123,504	123,006	5,491
Third Sector Partnership	1,526	-	-	504	1,022
Volunteer Services Bridges	6,718	-	58,358	63,129	1,947
Volunteer Services	10,524	-	60,000	59,798	10,726
Wolverhampton for Everyone	-	1,707	-	1,707	-
YOW	4,140	-	-	-	4,140
	<u>2,159,921</u>	<u>-</u>	<u>3,542,243</u>	<u>4,439,700</u>	<u>1,262,464</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

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

In 2018-19 there were also transfers of funds between unrestricted and restricted funds. These were as follows:

- Micro Enterprise transferred the remaining balance of £1,926 to the Restricted Fund Infrastructure Support. Core transferred reserves of £8,257 to meet the remaining shortfall. This reflects the Board's decision to support the capacity building service with organisational reserves, up to an annually agreed value.
- "Core" transferred £11,458 to the Operational Liabilities fund in order to reflect an in year increase in those liabilities and £5,667 to SUIT to support transitional costs following the reduction in funding and implementation of associated cost savings
- Think Family Champions transferred £23,377 to unrestricted reserves, following completion of delivery of the contract with CWC.
- Infrastructure Support (Compact) transferred £1,707 to support the start-up costs of Wolverhampton for Everyone.

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 £116,836. This represents £1,330 for improving safety within the organisation for staff and visitors, and £115,506 for operational liabilities/closure costs. Please see reference to reserves policy in the TAR.

RESTRICTED FUNDS:

Active Citizens Fund: to work alongside communities to encourage new ideas and initiatives

Faith Group Engagement: Developing links with Faith Groups across the City with the aim of improving partnership working and raising awareness of safeguarding.

Girls Allowed: to support girls at risk of being drawn into gangs.

Infrastructure Support: this is to support capacity building with local third sector organisations, and then in addition to part - fund the role of championing the sector. This fund has incorporated modest restricted funds relating to Compact and Training and Quality previously reported separately.

Life Chances: to develop a business case for social investment.

Social Enterprise Wolverhampton: to increase the awareness, knowledge and take up of social enterprise and social investment opportunities.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

Mental Health Empowerment - Supporting groups: Supporting peer led groups of people facing mental ill health. This reserve incorporated a modest reserve held by PAMH (positive action mental health) - an associated project that had been funded by WCC.

Micro – Enterprise: this is a project which was aimed at developing the social care market and has now come to an end.

Public Health Transformation: working with public sector partners in order to redesign care pathways.

(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.

Social Prescribing: working with primary care provider referred clients to tackle needs that may be met through activities supported within the VCS and ultimately reduce requirements for medical interventions. In the year under report additional funding was secured from the Department of Health.

Building Connections: Acting as the accountable body for a project delivered by VCO and aimed at tackling loneliness.

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

ESF Impact (TM): an ESF funded programme, of which Talent Match is also a part, aimed at people aged 25-29 who have been out of work for shorter periods.

Talent Match – Satellite clubs: Developing sports groups for young people across the Black Country. This project has now come to an end.

Think Family Champions: Developing mentoring type relationships between Adult facing and Child facing services in order to raise awareness and understanding of safeguarding issue within the former. This project has now come to an end.

Third Sector Consortium/Systems Resilience: working with third sector partners to reduce Accident and Emergency admissions and to improve levels of re-ablement for older people leaving hospital.

Third Sector Partnership: A forum through which the VCS can engage and influence partners and improve its own delivery through shared learning.

Volunteer Services BBO Bridges: a joint lottery and ESF funded programme providing employment support for over-24s.

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

Wolverhampton for Everyone: A “movement” aimed at increasing the role of local people in the things that effect their lives through moving towards a “people powered City”.

YOW – Children’s Workforce: To improve the capacity and skills of the Children’s workforce in Wolverhampton.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

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, neither 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.

17 Particulars of Employees

The average monthly headcount was 49 (47 in 2018).

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

	2019	2018
General activities	42	40

The aggregate payroll cost of these persons was as follows:

	2019	2018
	£	£
Wages and salaries	1,169,935	1,013,360
Social security costs	91,997	87,709
Other pension costs	73,133	68,456
Redundancy costs	6,318	-
	<u>1,341,383</u>	<u>1,169,525</u>

Redundancy payments were made to 5 members of staff during the year under report. These were met by the related fund as permitted by the funder (£3,270 in total), and an amount of £3,048 was met by unrestricted funds.

	2019	2018
	£	£
Key Management Remuneration	121,568	117,387

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2019

18 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. It has been closed to new members.

In accordance with the 2016 Actuarial Valuation contributions to the Scheme for 2018/19 from the employees, are payable at a variable rate according to graded rates of pensionable pay, and employer's contributions for 2019/20 are payable at an increased rate of 23.3%, an increase from the 2018/19 rate of 20.6%. Also, the charity is required to make additional Past Service Lump Sum contributions towards meeting the shortfall. The amounts payable for the above two years are £15,300 / £15,900 respectively.

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 deficit within the Scheme attributable to WVSC, as at the 2016 Actuarial Valuation, was £271,000 and this is based on funding at 84%. £153,000 of this deficit relates to the introduction of a volatility reserve by the Administering Authority. The next Actuarial Valuation is due in 2019 and will affect contribution rates and deficit recovery payments from 2020/21.

A stakeholder scheme was established in January 2016 and is offered to all employees who are not members of the West Midland Pension Scheme, subject to pension guidance in terms of eligibility.

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 2019 WVSC had minimum commitments under non-cancellable operating leases as follows:

	2019		2018	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Falling Due:				
Within one year	25,000	2,718	25,000	2,841
In one to two years	-	1,248	-	2,841
In two to five years	-	759	-	2,204
After 5 years	-	-	-	-
	<u>25,000</u>	<u>4,725</u>	<u>25,000</u>	<u>7,886</u>

A twelve month commitment is disclosed in respect of land and buildings as WVSC has an option to terminate this on giving one year's 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 2019

21 Related Party Transactions

Steve Clay is the CEO of YMCA Black Country, and a director of WVSC. YMCA is a funded partner in the Talent Match Black Country project, and in 18-19 was funded £812,205. As at 31 March 2019 WVSC owed YMCA Black Country £6,294 Talent Match funds, in line with the partner funding agreements.

Pamela Cole-Hudson is the CEO of Gazebo Theatre in Education Company, and is a director of WVSC. Gazebo is a funded partner in the Talent Match Black Country project, and in 18-19 was funded £473,847 for hub delivery costs. In addition services were purchased by Talent Match totalling £33,647. As at 31 March 2019 Gazebo Theatre in Education Company held a net balance of £11,495 of Talent Match hub funds, in line with the partner funding agreements, which will ultimately be repaid to WVSC. In addition WVSC owed Gazebo £507 for purchased services. The net balance therefore is £10,987 of funds held by Gazebo.

Mike Hastings is the Director of Operations at Wolverhampton CCG, and is a director of WVSC. The CCG provided funding to WVSC for three projects: Social Prescribing (£148,000), Systems Resilience (£123,504) and Mental Health (£25,500). As at 31 March 2019 the CCG owed WVSC £25,500 in relation to the Mental Health funding allocated towards the end of the financial year.

Ian Darch, CEO WVSC, is a director of Black Country Together CIC. In 18-19 WVSC was due funding of £5,028 from BCT CIC. As at 31/3/2019 BCT CIC owed WVSC £4,163.

Stephen Dodd, the YOW co-ordinator within WVSC, is the voluntary and community sector representative on Wolverhampton Safeguarding Children Board and Wolverhampton Safeguarding Adults Board. In this capacity he chairs the Boards' Communication and Engagement Committee, sits on the joint Executive Committee (which makes budget recommendations to the main Boards). He is also vice chair of Wolverhampton Safeguarding Children Board. As chairperson of the joint Communication and Engagement Committee for both Boards, and at the request of the Executive Committee, he wrote a report requesting funding for a part-time Faith Engagement Worker in 2017. The Executive Committee recommended funding this post for 9 months which was approved by the main Boards firstly to March 2018, and subsequently to March 2019 and more recently to December 2019. The Faith Engagement Worker was therefore employed by WVSC for all of the financial year 2018-19.