

227511

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

Report of the Board of Trustee Directors
and Financial Statements

Year Ended

31 March 2002



BDO Stoy Hayward
Chartered Accountants

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

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WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Officers and advisors

Board of Trustee Directors

Theo Rickard
Roy Russell
Mirza Baig
Richard Clarke
Ann Gough (Chair)
Len Kruczek (Vice Chair)
James Smith
Eileen Birch
Jaswant Chandel
Ferdinand Addo
Kath Rees
Tina Thatcher
Fazia Bano
Jane Newbrook
Sumit Grover
Gurinder Atwal
Gillian Atkins

Secretary and registered office

IT Ellis, 2/3 Bell Street, Wolverhampton, WV1 3PR

Company number

2288239

Registered charity number

700910

Auditors

BDO Stoy Hayward, Mander House, Wolverhampton, WV1 3NF

Bankers

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Report of the Board of Trustee Directors for the year ended 31 March 2002

Financial Statements

The members of the board of trustee directors present their report and financial statements for the year ended 31 March 2002.

Company law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of the surplus or deficit of the Council for that period. In preparing those financial statements, the trustee directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

The trustee directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legal Structure of the Council

The Council is a company limited by guarantee and therefore does not have a share capital. The liability of members is limited and details of their guarantees are given in note 1 to the financial statements.

The Council is also a registered charity.

Activities

The principal activities of the Council are the promotion of any charitable purpose for the benefit of the community within the Metropolitan Borough of Wolverhampton and the immediate surrounding areas and assisting in the provision of facilities in the interest of social welfare in the said community.

Review of Activities

During the twelve months to 31 March 2002, the council provided detailed and specialist support and advice to over 300 local voluntary and community organisations. The support provided included:

- Direct service such as reprographics, financial services, management development and hire of equipment;
- The provision of information on government policy and strategy, changes in the organisation of local government and a range of other matters of interest to voluntary and community organisations;
- Advice and guidance on legislative and policy matters, funding sources, deployment of staff and volunteers, committee structures and legal status;
- General and specialist training and seminar provision on a range of topics such as employment regulations and the planning and implementation of health and social services; and
- Assistance with the presentation of their views to the local statutory sector and facilitation of consultation exercises.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Report of the Board of Trustee Directors for the year ended 31 March 2002 *(continued)*

Review of Activities *(continued)*

These activities, as in previous years, are funded through a range of sources. The most significant change over the last year was the commencement of two 'regeneration' projects: one funded by the Neighbourhood Renewal Fund and one through the North Black Country Regeneration Zone.

Two of the restricted funds of the Council were in deficit at 31 March 2002. Efforts to secure funding to replace previously received grants for our Specialist Development Services activity continue. Current funding from Advantage West Midlands will help to reduce the adverse position on this fund and we are confident that ongoing actions will identify new funding streams to eliminate the present deficit by 31 March 2003. The small deficit on the Regeneration Policy Officer fund is caused by expenditure incurred in advance of grant income being received, and will be corrected during the current year.

Results and dividends

The Council had a net decrease in available resources of £47,986 for the year and it is proposed that this amount will be deducted from funds.

Under the terms of its Memorandum of Association any income and property of the Council shall be applied solely towards the promotion of the objects of the Council and no dividend or any other form of distribution can be paid to its members.

Board of trustee directors

The members of the board of trustee directors during the year, together with dates of any changes, were as follows:

Theo Rickard	
Roy Russell	
Mirza Baig	
Richard Clarke	
Ann Gough	(Chair)
Charles Price	(Resigned 10.10.01)
Len Kruczek	(Vice Chair)
Anne Knight	(Resigned 20.07.01)
James Smith	
Eileen Birch	
Jaswant Chandel	
Ferdinand Addo	
Kath Rees	
Tina Thatcher	
Margaret Felton	(Resigned 10.10.01)
Fazia Bano	(Appointed 10.10.01)
Jane Newbrook	(Appointed 10.10.01)
Sumit Grover	(Appointed 10.10.01)
Gurinder Atwal	(Appointed 10.10.01)
Gillian Atkins	(Appointed 14.12.01)

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Report of the Board of Trustee Directors for the year ended 31 March 2002 (*continued*)

Reserves policy

The Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the "free reserves") should fall in a target range between £18,000 and three months' total expenditure before management charges. At 31 March 2002 the free reserves amounted to £39,688.

Further details of the reserves policy are included in the Annual Report of the Council.

Risk review

The Board carries out regular reviews of the major risks to which the Council is exposed and establishes system to mitigate these risks.

Auditors

A resolution to reappoint BDO Stoy Hayward as auditors will be submitted to the Annual General Meeting.

By order of the board of trustee directors



IT Ellis
Secretary

 **September 2002**

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Report of the independent auditors

To the members of Wolverhampton Voluntary Sector Council

We have audited the financial statements for the year ended 31 March 2002 on pages 7 to 15 which have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The board of trustee directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Report of the Board of Trustee Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Board of Trustee Directors' Report is not consistent with the financial statements, if the Council has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Council is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustee directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the Council's affairs as at 31 March 2002 and of its movement of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward.

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
Wolverhampton

26 September 2002

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Statement of Financial Activities for the year ended 31 March 2002

	Note	Unrestricted funds 2002 £	Restricted funds 2002 £	Total Funds 2002 £	Total Funds 2001 £
Incoming resources					
<i>Resources from operating activities in furtherance of the Council's objects</i>					
Grants containing service requirements		-	330,200	330,200	378,460
Sales and other income		17,927	18,912	36,839	55,077
		<u>17,927</u>	<u>349,112</u>	<u>367,039</u>	<u>433,537</u>
<i>Donations, legacies and similar income</i>					
Core funding and general grants		87,495	-	87,495	84,768
<i>Investment income</i>					
Interest received		2,851	-	2,851	1,793
		<u>108,273</u>	<u>349,112</u>	<u>457,385</u>	<u>520,098</u>
Resources expended – charitable expenditure					
Grants payable	3	1,495	28,992	30,487	17,471
Cost of activities in furtherance of the Council's objects	4	50,914	260,011	310,925	242,402
Management and administration	5	54,894	109,065	163,959	149,142
		<u>107,303</u>	<u>398,068</u>	<u>505,371</u>	<u>409,015</u>
Net income/(expenditure) for the year					
		970	(48,956)	(47,986)	111,083
Total funds at 1 April 2001		44,238	149,848	194,086	83,003
Total funds at 31 March 2002		<u>45,208</u>	<u>100,892</u>	<u>146,100</u>	<u>194,086</u>

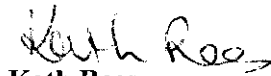
WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Balance sheet at 31 March 2002

	Note	2002	2001
		£	£
Fixed assets			
Tangible assets	7	9,520	11,857
Current assets			
Debtors	8	103,641	68,319
COIF charities deposit fund		41,074	18,658
Cash at bank and in hand		55,014	151,108
		<u>199,729</u>	<u>238,085</u>
Creditors: amounts falling due within one year	9	<u>(63,149)</u>	<u>(55,856)</u>
Current assets		<u>136,580</u>	<u>182,229</u>
Net assets		<u>146,100</u>	<u>£194,086</u>
Reserves	10		
General unrestricted fund		45,208	44,238
Restricted funds:			
Training Development		628	1,268
Health and Social Care		7,635	10,311
HIV/AIDS		5,353	6,993
Specialist Development Services		(10,354)	218
Women's Development		8,689	11,389
Black Country Women's Development		15,282	41,284
Regeneration Policy Officer		(812)	25
Mental Health Empowerment		24,556	27,273
Health Action Zone Input/Participation		49,915	51,087
		<u>146,100</u>	<u>£194,086</u>

The financial statements on pages 7 to 15 were approved by the Board of Trustee Directors on 25th September 2002


Ann Gough
Chair of Board of Trustee Directors


Kath Rees
Chair of Finance Sub-Committee

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002

1 Liability of Members

The Council 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 the Council's objectives and no dividend or other form of distribution can be paid to its members.

2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

Cash flow statement

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

Pension costs

Certain employees are members of the West Midlands Local Government Superannuation Scheme. The pension cost charge in the financial statements represents contributions due to this scheme in respect of earnings during the year.

Tangible fixed assets and depreciation

Tangible fixed assets are normally capitalised where the cost exceeds £500 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

Development fund grants

Development fund grants payable to local organisations are limited to £200 maximum per applicant. They are recognised in the accounts when paid.

Revenue grants

Revenue grants are received from Wolverhampton City Council and other organisations in order to finance the Council'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.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

2 Accounting policies (continued)

Allocation of costs

Specific costs for each activity are charged as incurred and all other costs are charged against general activities.

3 Grants payable

	Number	2002 £	Number	2001 £
<i>Grants to institutions</i>				
Health Action Zone	52	25,602	27	13,270
Women's development	4	1,950	4	1,940
HIV/AIDS	3	1,440	2	1,000
General activities	5	1,495	6	1,261
	<u>64</u>	<u>30,487</u>	<u>39</u>	<u>17,471</u>

None of these grants was for more than £1,000.

4 Costs of activities in furtherance of the Council's objects

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Salaries and other staff costs	40,081	201,899	241,980	191,750
Pension	3,613	5,873	9,486	8,918
Training	-	43,431	43,431	29,086
Reprographic	2,490	6,196	8,686	8,265
Books and publications	-	1,012	1,012	783
Doubtful debts	4,730	1,600	6,330	3,600
	<u>50,914</u>	<u>260,011</u>	<u>310,925</u>	<u>242,402</u>

5 Management and administration of the charity

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Salaries	53,130	-	53,130	53,700
Office costs	42,931	58,922	101,853	88,123
Audit fees	4,465	-	4,465	4,524
Professional fees	15	568	583	562
Management recharges	(32,877)	32,877	-	-
Administration and professional support	(14,740)	14,740	-	-
Depreciation of fixed assets	1,970	1,958	3,928	2,233
	<u>54,894</u>	<u>109,065</u>	<u>163,959</u>	<u>149,142</u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002 *(Continued)*

6 Total resources expended

	2002 £	2001 £
Total resources expended include:		
Rentals under operating leases		
- land and buildings	19,874	19,867
Auditors' remuneration	4,465	3,800
Auditors' remuneration – non audit services	-	724
Depreciation: owned fixed assets	3,928	2,233
	<u> </u>	<u> </u>

7 Tangible Fixed Assets

	Computers and Office Equipment £
Cost	
1 April 2001	43,744
Additions	1,591
	<u> </u>
31 March 2002	45,335
	<u> </u>
Depreciation	
1 April 2001	31,887
Charge for the year	3,928
	<u> </u>
31 March 2002	35,815
	<u> </u>
Net book value	9,520
31 March 2002	<u> </u>
	<u> </u>
31 March 2001	11,857
	<u> </u>

8 Debtors

	2002 £	2001 £
Trade debtors	100,521	67,280
Payments in advance	3,120	1,039
	<u> </u>	<u> </u>
	103,641	68,319
	<u> </u>	<u> </u>

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Other creditors	14,109	32,924
Accruals	49,040	22,932
	<u>63,149</u>	<u>55,856</u>

10 Reserves and Reconciliation of Movements in Funds

	1 April 2001 £	Net movement during year £	31 March 2002 £
General unrestricted fund	44,238	970	45,208
Restricted funds:			
Training Development	1,268	(640)	628
Health and Social Care	10,311	(2,676)	7,635
HIV/AIDS	6,993	(1,640)	5,353
Specialist Development Services	218	(10,572)	(10,354)
Women's Development	11,389	(2,700)	8,689
Black Country Women's Development	41,284	(26,002)	15,282
Regeneration Policy Officer	25	(837)	(812)
Mental Health Empowerment	27,273	(2,717)	24,556
Health Action Zone Input/Participation	51,087	(1,172)	49,915
	<u>194,086</u>	<u>(47,986)</u>	<u>146,100</u>

The restricted funds of the Council comprise the above unexpended balances on donations and grants given for specific purposes. The balance of these funds are represented by current asset debtors, held as cash or invested in the Charities Deposit Fund and appear on the balance sheet under these headings.

11 Information regarding members of the Board of Trustee Directors

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

Remuneration:

Under the terms of the Memorandum of Association no member of the Board shall receive any remuneration from the Council. In addition, none of the members were reimbursed for expenses incurred by them.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002 *(Continued)*

12 Particulars of Employees

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

	2002	2001
General activities	14	13
Health Action Zone	2	3
	<u>16</u>	<u>16</u>

The aggregate payroll cost of these persons was as follows:

	2002	2001
	£	£
Wages and salaries	263,516	228,402
Social security costs	20,497	17,048
Other pension costs	9,486	8,918
	<u>293,499</u>	<u>254,368</u>

No employees earned more than £50,000 during the year.

13 Revenue Grants from Wolverhampton City Council under Section 137 Local Government Act 1988

	2002	2001
	£	£
Salaries	46,178	54,861
Other expenses	38,457	27,077
	<u>84,635</u>	<u>81,938</u>

14 Pensions

The company makes contributions to the West Midlands Local Government Superannuation Scheme in respect of certain employees. The pension charge represents contributions payable by the company and amounted to £9,486 (2001: £8,918). At 31 March 2002 contributions of £1,608 were outstanding (2001 £998).

15 Taxation

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

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

16 Operating Lease Commitments

At 31 March 2002 the Council had annual commitments under non-cancellable operating leases as follows:

	2002 Land and buildings £	2001 Land and buildings £
Expiry date:		
In under one year	432	432
In one to two years	14,692	-
In two to five years	-	14,692
	<u>15,124</u>	<u>15,124</u>

Both parties to the land and buildings lease have an option to terminate the lease on giving three months notice.

17 Related Party Transactions

The Council deals with many charitable organisations in which members of the Executive Committee are officers. The following material transactions have been undertaken during the year with such organisations:

	2002 £	2001 £
Wolverhampton Network Consortium - sales	<u>6,000</u>	<u>3,385</u>
The balances due from this organisation at 31 March 2002 were:		
	2002 £	2001 £
Wolverhampton Network Consortium	<u>4,975</u>	<u>4,925</u>

No other material transactions took place between the Council and related parties.

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2002

18. ANALYSIS OF GRANTS RECEIVABLE

	General Activities £	Health and Social Care £	Specialist Development Services £	Black Country Women's Development Network £	Regeneration Policy Officer £	Mental Health Empowerment £	Health Action Zone Input / Participation £	2002 Total £	2001 Total £
Wolverhampton City Council	84,635				22,500			107,135	109,680
Wolverhampton City Council Social Services	1,430					19,980		21,410	30,905
Urban Programme and Joint Finance grants		59,154						59,154	57,154
Cadbury Trust								-	5,000
National Lottery				29,021				29,021	58,502
Health Authorities	1,430					30,312	157,233	188,975	201,987
Regional Action West Midlands					7,000			7,000	-
Advantage West Midlands			5,000					5,000	-
	87,495	59,154	5,000	29,021	29,500	50,292	157,233	417,695	463,228

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2002

	General Activities	Training Development	Health and Social Care	HIV/AIDS	Specialist Development Services	Women's Development Network	Black Country Women's Development Network	Regeneration Policy Officer	Mental Health Empowerment	Health Action Zone Input / Participation	2001 Total	2002 Total
	£	£	£	£	£	£	£	£	£	£	£	£
Income												
Grants received	87,495	-	59,154	-	5,000	-	29,021	29,500	50,292	157,233	440,460	417,695
Movement in deferred income											22,768	-
Grants receivable relating to the year (Note 16)	87,495	-	59,154	-	5,000	-	29,021	29,500	50,292	157,233	463,228	417,695
Consultancy and training course fees	500				18,912						24,700	19,412
Other sales	17,171										30,169	17,171
Room and equipment hire	256										208	256
Interest received	2,851										1,793	2,851
Income received in year	108,273	-	59,154	-	23,912	-	29,021	29,500	50,292	157,233	520,098	457,385
Expenditure												
Staff salaries and national insurance	93,211		30,636		29,767		31,103	13,332	32,978	52,986	243,450	284,013
Temporary staff					4,855		1,057			5,185	8,918	11,097
Pension contributions	3,613		1,548				898	976	1,953	498	19,867	9,486
Rent and water rates	12,651		1,015						766	5,442	2,256	19,874
Insurance	2,308		70		460			35	35	70	2,483	2,978
Repairs and maintenance	7,223		24		-		97			63	235	7,407
Renewal of office equipment	192		317				94	2,979	15		3,038	3,597
Heat and light	1,850		547		1,084		919	220	323	1,297	6,425	7,571
Telephone and fax	3,181		1,171		560		1,559	214	1,180		8,265	1,495
Reprographics	2,490	17	1,847		1,431		1,907	602	2,787	3,381	17,599	18,180
Printing, stationery and postage	6,225						255				255	
Advertising							127	50	100	77	783	1,012
Books and publications			585		73		4,536	163	1,763	1,993	8,149	13,206
Staff travel and subsistence	1,914		711		2,126						4,322	2,200
Staff training and conferences	1,093		235				571	125		176	29,086	43,431
Training course costs		373	163		141		5,097	2,500		35,157	17,471	29,987
Development fund grants	995			1,440						25,602	4,465	4,465
Auditors' remuneration	4,465						543	175	903		2,233	3,928
Depreciation of fixed assets	1,970		337		(2,500)		3,987	1,752	5,075	16,558	14,795	16,253
Management charges	(32,877)	250	6,805	200	730		2,134	111	481		849	257
Sundry expenses	5,797		988								245	7,865
Grant repaid											6,787	
Bank charges	257										573	
Staff recruitment			1,824				19	5,563		459	3,600	6,330
Administration and professional support	(14,740)		13,007		(6,411)			1,540	4,650	1,954	500	500
Computer network and technical support	240						120					
Doubtful debts	4,730				1,600							
Professional fees	15				568							
Good practice awards	500											
Total expenditure	107,303	640	61,830	1,640	34,484	2,700	55,023	30,337	53,009	158,405	409,015	505,371
Net movement in year	970	(640)	(2,676)	(1,640)	(10,572)	(2,700)	(26,002)	(837)	(2,717)	(1,172)	111,083	(47,986)
Balance at 1 April 2001	44,238	1,268	10,311	6,993	218	11,389	41,284	25	27,273	51,087	83,003	194,086
Balance at 31 March 2002	45,208	628	7,635	5,353	(10,354)	8,689	15,282	(812)	24,556	49,915	194,086	146,100