

WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL
(LIMITED BY GUARANTEE)

**REPORT OF THE EXECUTIVE COMMITTEE AND
FINANCIAL STATEMENTS**

for the year ended
31 March 1999



WOLVERHAMPTON VOLUNTARY SECTOR COUNCIL

OFFICERS AND ADVISORS

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OFFICERS AND ADVISORS

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OFFICERS AND ADVISORS

Executive Committee

Theo Rickard
Roy Russell
Mirza Baig
Richard Clarke
Margaret Felton
Ann Gough
Charles Price
Alenka Toinko
Len Kruczek
Anne Knight
James Smith
Eileen Birch
Jaswant Chandel
Ferdinand Addo

Secretary

C M Bonnard

Registered Office

2/3 Bell Street
Wolverhampton
WV1 3PR

Registered charity number : 700910
Registered company number : 2288239

Auditors

BDO Stoy Hayward
Mander House
Wolverhampton
WV1 3NF

Bankers

The Co-operative Bank plc
Dudley Street
Wolverhampton

REPORT OF THE EXECUTIVE COMMITTEE

FINANCIAL STATEMENTS

The members of the Executive Committee present their report and financial statements for the year ended 31 March 1999.

Company law requires the Executive Committee 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 Executive Committee 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 company will continue its activities.

The Executive Committee 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 year ended 31 March 1999 the Council provided detailed and special advice to over 380 local groups, specialist and general seminars and training works to over 670 people from 102 organisations, supported over 900 community care, women's, disability, ethnic minority and other local groups through the provision of specific and general advice and information, provided seminars separately and jointly with other agencies on legislative and policy matters and provided other practical services for voluntary organisations and community groups in Wolverhampton.

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

YEAR 2000

The directors have assessed and continue to review the impact of the Year 2000 issue on systems central to the Council's ongoing activity and preparation of financial statements. Plans have been developed to enhance systems as required to avoid any significant, adverse effects likely to result from the Year 2000 problem. In addition, sufficient funds have already been ring fenced to substantially upgrade the capabilities and resilience of the Council's information systems. The critical elements of such plans are expected to have been implemented before January 2000.

RESULTS AND DIVIDENDS

The Council had a net reduction in available resources of £4,355 for the year and it is proposed that this amount will be subtracted 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.

EXECUTIVE COMMITTEE

The members of the Executive Committee are considered to be directors of the Council for the purposes of the Companies Act 1985.

The members of the Executive Committee during the year together with dates of changes during the year were as follows:

	Date of Appointment	Date of Resignation
Lisa Britton		24.4.1998
Balvir Dhillon		4.12.1998
Theo Rickard		
Trevor Russell		7.7.1998
Carol Antonio		10.9.1998
Kath Rees		
Roy Russell		
Cherida Fletcher		3.7.1998
Peter Smith		4.12.1998
Mirza Baig		
Richard Clarke		
Margaret Felton		
Ann Gough		
Charles Price		
Alenka Toinko		
Len Kruczek		
Anne Knight		
James Smith		
Eileen Birch		
Jaswant Chandel	3.7.1998	

On 23 June 1999 Ferdinand Addo was appointed to and Kath Rees resigned from the Executive Committee.

REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)

AUDITORS

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

By order of the Executive Committee

A handwritten signature in black ink, appearing to be 'C.M. BONNARD', written over a horizontal line.

C.M. BONNARD

Secretary

24 Septembr 1999

AUDITORS' REPORT

to the members of Wolverhampton Voluntary Sector Council

We have audited the financial statements on pages 6 to 15 which have been prepared on the basis of the accounting policies set out on pages 10 and 11.

Respective responsibilities of Executive Committee and auditors

As described on page 2, the members of the Executive Committee are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

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 1999 and of the company's movement of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors
1 October 1999

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 1999

	General Activities £	Training Development £	Community Care Development £	HIV/AIDS £	Contracts Development Officer £	West Midlands Regional Network £	Research Project £	Mental Health Empowerment £	1999 Total £	1998 Total £
Income										
Grants received	76,679	2,100	42,026		17,735	1,000		37,000	184,540	155,614
Movement in deferred income										(3,878)
Grants receivable relating to the year		2,100	42,026	0	17,735	5,000	0	37,000	184,540	151,736
(Note 15)										
Consultancy and training course fees	1,149	680			29,508				31,337	24,915
Other sales	38,431				425		275		39,131	27,062
Donations									0	415
Room and equipment hire	473								473	509
Release of capital grant									0	637
Interest received	2,846								2,846	4,271
Income received in year	119,578	2,780	42,026	0	47,668	6,000	275	37,000	258,327	209,545
Expenditure										
Grants returned	63,261		25,081		27,565				0	400
Staff salaries and national insurance	3,103		1,679		305			17,987	133,894	112,733
Pension contributions	12,531							1,865	6,952	3,845
Rent and water rates	1,364								12,531	15,651
Insurance	2,122		62		60				1,364	3,035
Repairs and maintenance	1,103				104			60	2,304	1,867
Renewal of office equipment	1,974							25	1,232	1,414
Heat and light	1,880	2	215		1,176			207	3,480	2,887
Telephone and fax	7,164	647	888		1,262			682	10,643	14,517
Reprographics	9,389	254	1,141		1,865		577	578	13,804	12,571
Printing, stationery and postage			990						990	0
Redundancy costs	260		42	72	104			68	546	1,326
Books and publications	1,834		1,607		2,061			1,332	6,834	5,823
Staff travel and subsistence	2,106		280		292			100	2,778	1,058
Staff training and conferences	169	896	712				3,000	4,845	9,622	1,677
Training course costs	1,332					3,280		524	4,962	4,449
Development fund grants	3,240		524						4,812	3,055
Auditors' remuneration	1,839							1,839	2,236	2,236
Depreciation of fixed assets	(14,010)	250	5,085	200	3,535	750		4,190	0	5,195
Management charges	2,316	1,451	338	125	612	99	48	883	5,872	3,473
Sundry expenses	82								82	112
Bank charges	11,000		7,726						18,726	3,651
Staff recruitment	(13,807)		6,214		2,474			5,119	0	0
Administration support	678		122		123			123	1,046	1,338
Computer network and technical support					2,760				2,760	300
Doubtful debts									0	2,147
Self help directory expenses							11,800		11,800	0
Preparation of report									1,835	2,400
Professional fees	35					1,800			1,835	2,400
Total expenditure	100,965	3,500	52,706	397	44,822	5,929	12,775	38,588	262,682	209,215
Net movement in year	18,613	(720)	(10,680)	(397)	2,846	71	0	(1,588)	(4,355)	330
Balance at 1 April 1998	9,589	2,827	12,941	8,590	5,902	5,958	0	18,278	76,585	76,255
Balance at 31 March 1999	£28,202	£2,107	£2,261	£8,193	£8,748	£6,039	£0	£16,690	£72,230	£76,585

The split between administration expenses and direct charitable expenses is shown on page 7

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 1999

	Notes	1999 £	1998 £
Revenue grants and donations received		184,540	152,151
Other operating income		70,941	51,552
		<hr/>	<hr/>
Administration expenses		255,481	203,703
Direct charitable expenditure		(129,362)	(106,370)
		<hr/>	<hr/>
Operating deficit	3	(7,201)	(3,941)
Interest received		2,846	4,271
		<hr/>	<hr/>
Net movement of resources in the year	8	£(4,355)	£330
		<hr/>	<hr/>

The net movement in resources arises solely from continuing activities. There were no recognised gains or losses in the year other than the net movement of resources shown above.

BALANCE SHEET
as at 31 March 1999

	Notes	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible assets	4		1,100		2,940
CURRENT ASSETS					
Stocks	5	1,380		1,768	
Debtors	6	26,970		19,826	
COIF charities deposit fund		55,061		62,293	
Cash at bank and in hand		18,836		43,258	
			102,247	127,145	
CREDITORS: amounts falling due within one year	7	(31,117)		(53,500)	
Net Current Assets			71,130		73,645
Net Assets			£72,230		£76,585
RESERVES					
	8				
General Unrestricted Fund			28,202		9,589
Restricted funds:					
Training Development			2,107		2,827
Community Care Development			2,261		12,941
HIV/AIDS			8,193		8,590
Contract Development Officer			8,748		5,902
Women's Development			6,029		5,958
West Midland Regional Network			-		-
Research Project			-		12,500
Mental Health Empowerment			16,690		18,278
			£72,230		£76,585

BALANCE SHEET

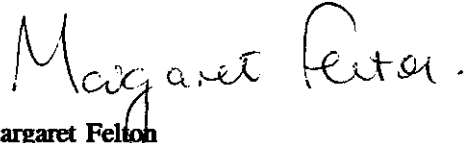
as at 31 March 1999 (continued)

The financial statements on pages 6 to 15 were approved by the Executive Committee on 24 September 1999.



Ann Gough

Chairperson of the Executive Committee



Margaret Felton

Chairperson of Finance & ~~General Purposes~~ Sub-committee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1999

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.

2. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

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 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

Capital grants

Capital grants received towards the purchase of assets are stated as deferred income and are written off over the estimated lives of the assets purchased.

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 Metropolitan Borough 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.

Income and Expenditure Account

The financial statements include an Income and Expenditure Account rather than a Profit and Loss Account as required by the Companies Act 1985. The departure is necessary in order to reflect the charitable nature of the Council's activities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1999 (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.

Stocks

Stocks of consumables are valued at the lower of cost and net realisable value.

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have also been prepared in accordance with the recommendations contained within the Statement of Recommended Practice "Accounting by Charities".

3. OPERATING DEFICIT

	1999	1998
	£	£
This is stated after charging or (crediting):		
Rentals under operating leases		
- land and buildings	12,650	12,650
- other	3,783	3,408
Auditors' remuneration	3,408	3,055
Auditors remuneration - non audit services	1,400	-
Depreciation: owned fixed assets	1,840	2,236
Release of capital grant	-	(637)
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
1 April 1998 and 31 March 1999	29,318
Depreciation	
1 April 1998	26,378
Charge for the year	1,840
	<u> </u>
31 March 1999	28,218
Net book value	
31 March 1999	£1,100
	<u> </u>
31 March 1998	£2,940
	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1999 (continued)

5.	STOCKS	1999 £	1998 £
	Stationery, paper and supplies	£1,380	£1,768
6.	DEBTORS		
	Other debtors	22,497	15,399
	Payments in advance	4,473	4,427
		£26,970	£19,826
7.	CREDITORS: amounts falling due within one year		
	Other creditors	18,404	19,417
	Accruals	7,713	11,150
	Grants received in advance	5,000	22,933
		£31,117	£53,500
8.	RESERVES AND RECONCILIATION OF MOVEMENTS IN FUNDS		
		At 1 April 1998 £	Net movement during year £
	General unrestricted fund	9,589	18,613
	Restricted funds:		
	Training Development	2,827	(720)
	Community Care Development	12,941	(10,680)
	HIV/AIDS	8,590	(397)
	Contracts Development Officer	5,902	2,846
	Women's Development	5,958	71
	West Midland Regional Network	-	-
	Research Project	12,500	(12,500)
	Mental Health Empowerment	18,278	(1,588)
		£76,585	£(4,355)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1999 (continued)

8. RESERVES AND RECONCILIATION OF MOVEMENTS IN FUNDS (continued)

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 held as cash or invested in the Charities Deposit Fund and appear on the balance sheet under these headings.

9. INFORMATION REGARDING MEMBERS OF THE EXECUTIVE COMMITTEE

The names of persons who are members of the Executive Committee are given in the report of the Executive Committee.

Remuneration:

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

10. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the year was 12 (1998 : 10).

The aggregate payroll cost of these persons was as follows:

	1999 £	1998 £
Wages and salaries	124,242	104,233
Social security costs	9,652	8,500
Other pension costs	6,952	3,845
	<u>£140,846</u>	<u>£116,578</u>

11. REVENUE GRANTS FROM WOLVERHAMPTON METROPOLITAN BOROUGH COUNCIL
under Section 137 Local Government Act 1988

Salaries	44,228	47,530
Other expenses	29,641	32,627
	<u>£73,869</u>	<u>£80,157</u>

12. TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1999 (continued)

13. OPERATING LEASE COMMITMENTS

At 31 March 1999 the Council had annual commitments under non-cancellable operating leases as follows:

	1999		1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
In under one year	-	620	-	95
Between two and five years	-	1,206	-	3,688
In over five years	14,692	-	12,650	-
	<u>£14,692</u>	<u>£1,826</u>	<u>£12,650</u>	<u>£3,783</u>

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

14. RELATED PARTY TRANSACTIONS

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

	£
Black Country Consortium for Voluntary Sector Support	17,578
Wolverhampton Network Consortium	2,164
	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1998

15. ANALYSIS OF GRANTS RECEIVABLE

	General Activities £	Training Development £	Community Care Development £	HIV/AIDS £	Contracts Development Officer £	Women's Development £	West Midlands Regional Network £	Research Project £	Mental Health Empowerment £	1999 Total £	1998 Total £
Wolverhampton Metropolitan Borough Council	74,049	2,100	15,026						18,500	109,675	83,722
WMBC Social Services	1,315									1,315	1,280
Wolverhampton Chamber of Commerce			27,000			6,000				0	11,500
Urban Programme and Joint Finance grants										27,000	34,489
Cadbury Trust										6,000	7,965
National Lottery					7,735					7,735	0
Lloyds TSB Foundation					10,000					10,000	10,000
Health Authorities	1,315								18,500	19,815	2,780
Home Office							3,000			3,000	0
	<u>£76,679</u>	<u>£2,100</u>	<u>£42,026</u>	<u>£0</u>	<u>£17,735</u>	<u>£6,000</u>	<u>£3,000</u>	<u>£0</u>	<u>£37,000</u>	<u>£184,540</u>	<u>£151,736</u>