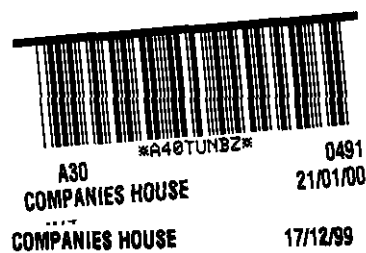


# Women's Royal Voluntary Service

Report and consolidated accounts  
for the year ended 31 March 1999

Company registered number: 2520413

Charity registered number: 1015988



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## Legal and administrative information

<b>Patron</b>	Her Majesty the Queen	
<b>President</b>	Her Majesty Queen Elizabeth the Queen Mother	
<b>Council</b>	Tina Tietjen (Chairman) Alice Cleland (Vice-Chairman) Peter Drew Alison Findlay Gillian Keeley Timothy Roberton Marion Yool, DL	
<b>Company Secretary</b>	Gerald Burton	
<b>Registered Office</b>	Milton Hill House Milton Hill Abingdon Oxfordshire OX13 6AF	
	Telephone 01235 442900	Fax 01235 861166
<b>Company registration number</b>	2520413	
<b>Charity registration number</b>	1015988	
<b>Auditors</b>	Binder Hamlyn 20 Old Bailey London EC4M 7BH	
<b>Bankers</b>	HSBC 90 Baker Street London W1M 2AX	The Royal Bank of Scotland 36 St Andrew's Square Edinburgh EH2 2YB
<b>Investment Managers</b>	Sarasin Investment Managers Sarasin House 37-39 St Andrew's Hill London EC4V 5DD	Mercury Asset Management 33 King William Street London EC4R 9AS
<b>Solicitors</b>	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH	Charles Lucas and Marshall Portway Wantage Oxfordshire OX12 9BU

# Report of the Council

## Introduction

The Council submits the statutory Report and Consolidated Accounts of Women's Royal Voluntary Service ("WRVS" or "charity") and its subsidiary companies for the year ended 31 March 1999.

## Constitution

Women's Royal Voluntary Service is constituted as a company limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, company members are required to contribute an amount not exceeding £1. The company is registered under the Companies Act 1985 and the Charities Act 1993.

## Scope

Connected entities, such as Women's Royal Voluntary Service ("old-WRVS"), an unincorporated registered charity, undertake various charitable activities. It is intended that the remaining Food Services projects (luncheon clubs) and Community Services projects currently in old-WRVS, will be transferred to WRVS and its wholly owned subsidiaries over the next few years. The activities of all connected entities are detailed in note 19 to the accounts and their results are not included in the attached accounts.

## Principal Aims

The Objects of Women's Royal Voluntary Service as defined by the Memorandum of Association are:

- (a) The relief of poverty, distress, suffering or need among all sections of the community primarily in the United Kingdom by all charitable means and particularly by providing:
  - (i) assistance largely in kind and facilities for individuals in the community;
  - (ii) assistance in kind to victims of emergencies or disasters;
  - (iii) advice and facilities to relieve the needs of those in hospital, in prison or in the armed services and their families.
- (b) The promotion of and assistance in civil defence in the United Kingdom for the benefit of the public.
- (c) Such other purposes for the benefit of the community as shall be exclusively charitable.

The vision of WRVS is as follows:

*'The members of Women's Royal Voluntary Service, in partnership with the private and public sectors, are committed to being the premier providers of voluntary assistance to those in need of care within their local community.'*

To achieve this, the following strategic aims direct and dictate the planning, decision making and day to day operation of the charity:

- Care-based projects for volunteering opportunities.
- Promotion of volunteering.
- Financial self-sufficiency.

These three objectives are met within a one-service ethos in offering volunteers cross-core volunteering opportunities and providing linked services to all our clients.

Our commitment to partnerships means:

Listening to our customers, in a changing world, with valued volunteers – professionally.

## Report of the Council (continued)

### Activities and Organisation

WRVS has a traditional role as a leading provider of volunteers in the community in Great Britain. In 1997 WRVS was recognised by the Government as an organisation through which it wished to promote volunteering. WRVS's policy is to develop and implement best volunteering practice throughout WRVS. In addition, the charity promotes and delivers that expertise to support and develop national initiatives on volunteering. There are approximately 113,000 volunteers in WRVS, 16,000 of whom are men and 97,000 are women.

WRVS operates through projects in local communities supported by a regional and area management structure. In addition, cross-service working is promoted through fundraising, public relations and internal communications.

WRVS contributes in five areas:

- *Community Services* – provides practical solutions to the everyday problems of loneliness, isolation, and dependence in local communities. Over 25,000 volunteers run 42 toy libraries, 94 child contact centres for separated families, 323 trolley shops in residential homes, 1,000 social clubs for the elderly and 2,225 Books on Wheels rounds. WRVS provides light refreshments at 67 prisons and 234 magistrates, county and sheriff courts. Surpluses from these activities partly fund the costs of providing Community Services. WRVS also runs five visitors centres, six play areas and crèches in prisons.
- *Emergency Services* – supplies a rapid response to blue light services, local authorities, utilities and companies in emergencies, and assistance at community events. Over 12,000 trained volunteers provide local teams, 24 hours a day, 365 days a year, to support the community and statutory services in times of emergency. The practical and caring services available to support all those affected by the incident – the victims, their families, the police and rescue workers include; the management of rest and evacuation centres, catering services, documentation and information helplines. The number of volunteers, the services provided and the extent of WRVS involvement in any incident is dependent upon the size and scale of the incident and the degree of support required by the requesting agency.
- *Hospital Services* – operates retail and catering outlets with allied caring activities in partnership with over 270 NHS Trusts throughout England, Scotland and Wales. The caring activities range from reception and guiding services to personal patient support. 30,000 volunteers work in some 450 hospitals, providing a valuable service to patients, visitors and staff. This caring and friendly service promotes a sense of community in the heart of the hospital. The profits of the projects are returned to the hospital in the form of gifts and grants.
- *Food Services* – works in partnerships with local authorities to provide Meals on Wheels, and operates Meals with Care schemes and runs luncheon clubs often in partnership with social services and other allied organisations. 48,000 volunteers provide a vital link in the Care in the Community policy, helping people to stay in their own home and preserving their independence for as long as practical. WRVS provides a flexible service for its partners from just delivering, to managing the whole meals package. WRVS has recognised the changing eligibility for Meals on Wheels and has launched its own non-referred Meals with Care schemes.
- *Services Welfare* – WRVS works under contract to the Ministry of Defence to provide neutral, non-military personnel to offer impartial advice and support to young, single soldiers serving in army units throughout the world.

## Report of the Council (continued)

### Activities and Organisation (continued)

As explained in the paragraph headed 'Scope' on page 2, a connected charity old-WRVS, undertakes the following activities which are *not* included in these accounts:

- Food Services: luncheon clubs.
- Community Services: all activities undertaken other than those in prisons and courts referred to above.

### Progress during the Year

WRVS celebrated its Diamond Anniversary in 1998. Hundreds of local events were held across Britain to recognise 60 years service to the community. The highlight of the year was a Garden Party held at Milton Hill House for 3,000 WRVS volunteers and staff in the presence of Her Majesty the Queen.

### Volunteering

- Launched the Diamond Volunteer of the Year Award scheme.
- Held two conferences in partnership with NHS executives in Bristol and Warrington, promoting volunteering in the NHS.
- Participated in the Ideal Health Show at Olympia, at part of the NHS 50<sup>th</sup> anniversary events, as well as local events.
- Published a joint leaflet with the Duke of Edinburgh's Award Scheme encouraging community service through WRVS.
- Took part in 'Older Volunteers' initiative sponsored by the Home Office.
- Enabled over 200 MPs to help on WRVS projects to recognise Volunteers Week 1998, a National Centre for Volunteering initiative.
- Welcomed 9,700 new volunteers to WRVS during the year.
- Developed and piloted the new national volunteer database.

### Community Services

- Took over Connection, a small Leicester-based charity in January 1999. Its aim is the development of vulnerable children between the ages of 5 and 16, in promoting self-esteem, optimism, motivation and the ability to cope with school, home and generally succeed in life.
- Launched 'Good Neighbours Schemes' in Moray, Fife, Dunkeld and Bankfoot in Scotland, often in partnership with local authorities with volunteer telephonists and others able to offer a range of help including transport and shopping.
- Opened 'Toy Libraries' in Crawley, Sussex and as part of the Scottish Early Years Development programme, in Granton and Dunbar.
- Launched 'Community Car Scheme' in Highland, as a joint initiative between WRVS and Badenoch & Strathspey Community Forum.

### Emergency Services

- Attended 122 emergency incidents at the direct request of local authorities, police and fire services. These included support given to local authorities in south east England by providing rest centre services for asylum seekers and refugees; providing refreshments and sleeping bags at the Glastonbury Pop Festival; supporting Hope Hospital, Salford during the winter 'flu crisis by providing refreshments to patients and staff.

## Report of the Council (continued)

### Progress during the Year (continued)

- Participated in 229 community events, including managing the information desks at the Royal International Air Tattoo, Fairford; providing refreshments for 1,000 walkers at the Aberdeen Walkathon and the nationwide support given to the Imperial Cancer Research 'Race for Life' events.
- Supported over 200,000 people effected by local or national emergencies.

### Hospital Services

- Increased turnover to £28m, with £4.2m being granted to hospitals from trading surpluses, including spending over £1m on project refurbishments to sustain and increase growth.
- Made grants to Crosshouse Hospital, Kilmarnock and Queens Medical Centre, Nottingham in excess of £1m.
- Completed major refurbishments at Borders General, Galashiels and Morriston Hospital, Swansea.
- Launched new caring services including oncology support at Bedford Hospital.

### Food Services

- Won tenders for Meals on Wheels contracts in Oxfordshire, Northumberland, West Sussex. Expanded services in North Ayrshire and Inverness.
- Started Meals with Care schemes in Leicestershire and Swansea.
- Worked in partnership with Age Concern, Help the Aged, Listening Books and SSAFA to provide information to Meals on Wheels recipients.
- Developed new 'Quality Assurance' and 'Focus on Food Safety' systems.
- Gained national media coverage on National Meals on Wheels Day.

### Services Welfare

- Employed 71 personnel to work with the armed forces. Of these, 31 were deployed in mainland UK; 10 in Northern Ireland; 24 in Germany; 4 in Cyprus and 2 in the Falkland Islands.
- Supported UK troops serving in Bosnia as part of the UN peacekeeping force.

### Fundraising

- Ran 12 focus groups for 70 WRVS members to ascertain opinions on potential fundraising initiatives.
- Held major events including a national line dance, which raised around £20,000 and a raffle which raised almost £60,000 through ticket sales.

### Financial Review of the Year

The Consolidated Statement of Financial Activities on page 12 shows that the total income for the year was £51.4m. The expenditure of £49.0m included grants of £4.7m, together with irrecoverable VAT which again exceeded £1m in the year.

The increase in income from £44.4m to £51.4m was primarily due to all Meals on Wheels activities now being included within the group structure. This represented some £6.1m of income.

The net incoming resources (surplus) for the year was £2.4m (1998: £2.4m) and the net gains on investments and investment properties were £2.7m (1998: £3.6m).

## Report of the Council (continued)

### Financial Review of the Year (continued)

WRVS is committed to controlling its own destiny through financial self-sufficiency. As well as more effective commercial arrangements with our partners, WRVS is piloting a number of fundraising initiatives. An annual raffle, gift catalogues, direct mail opportunities and applications to grant-giving trusts are being pursued.

The Group Balance Sheet on page 13 shows that at 31 March 1999 the total net assets represented by various funds were some £44.0m. This was represented by: Tangible Fixed Assets of £6.0m, Fixed Asset Investments of £32.1m and Net Current Assets of £5.9m.

### Reserves Policy

The Charity Commission has described the reserves of a charity as "that part of a charity's income funds that is freely available for its general purposes. Reserves are therefore the resources the charity has or can make available to spend, for any or all of the charity's purposes, once it has met its commitments and covered its other planned expenditure".

WRVS has embarked on a change management programme to ensure its future health. This process has led to the Council reviewing and revising its current reserves policy. The Council's aim is to build up reserves to a level sufficient to ensure that there is no risk of disruption to the services provided by the charity. At 31 March 1999 WRVS held £11.2m of free reserves, shown as general funds.

Under the terms of the Home Office grant-in-aid, for many years there were conditions placed on WRVS restricting the level of reserves arising from their grant that may be carried forward to future years. The Council and the Home Office have now agreed that the grant will be reduced each year and that in the medium-term, the charity should become self-financing.

In consequence, the charity has put in place procedures to ensure that it maximises its income from investments. Plans are also in hand for further developing the fundraising potential of the charity. Therefore, the level of the general reserves needs to be increased significantly to provide a sound base for the future of WRVS.

The unrestricted funds include £7.5m represented by properties which cannot be realised speedily, if required, to meet future contingencies.

The Council has set aside £5.7m of funds for purposes which could include community centres and core project development as well as £1.5m to fund the development plan. This plan is crucial to the charity's future. The remaining funds have been designated for capital projects and investment properties as detailed in note 15.

Additionally, the charity holds restricted funds of £16.3m. These restricted funds relate mainly to the accumulated surpluses of individual hospital projects, which are held on trust for granting to the relevant hospitals. The restrictions on these reserves mean that these monies are not available to fund the future development of the charity.



## Report of the Council (continued)

### **The Charity's Assets**

Acquisitions and disposals of tangible fixed assets during the year are recorded in note 10 to the accounts.

The Council are of the opinion that the open market value of the freehold land and buildings in operational use is in excess of the net book value at which they are shown on the consolidated balance sheet. The rationalisation of office premises continued throughout the year, which resulted in the number of properties owned or rented falling from 265 to 210.

Independent investment managers manage the investment portfolios. They are held in a mixture of A+ or better rated bonds, global balanced unit trusts, UK Government issued Floating Rate Notes (similar to short-dated gilts), medium-dated gilts, "blue chip" UK equities, Charity Common Investment Funds (unit trusts), together with short-term money market deposits.

The objective is to produce a return in line with, or better than, that provided by 3-month Money Market Deposits, as well as seeking to achieve longer term capital.

### **Statement of Corporate Governance**

WRVS is committed to best practice in Corporate Governance.

The Council constitute the directors of the charity for the purposes of the Companies Act 1985 and trustees of the charity for the purposes of the Charities Act 1993.

Company members elect members of the Council at the Annual General Meeting. The membership of the Company represents the volunteers of WRVS throughout Great Britain. Council members serve for a three-year period and may be re-elected for a second three-year period.

The Council consists of 7 Trustees. They are responsible for WRVS's policy and strategic direction. The Council act with reference to advice from the Chief Executive and senior management, who are responsible for the day to day operation of the charity.

The Audit Committee appointed by the Council meets at least half-yearly to consider reports from both internal and external auditors and investment managers. The Committee consists of two Council members, the Chief Executive and the Director of Finance.

The Legacy Committee appointed by the Council meets up to six times a year to monitor the receipt of legacies and to decide on grants to be made from the legacy funds held. The Committee consists of five Council members.

The Council has overall responsibility for WRVS's system of internal financial control. Such a system of control can provide only reasonable and not absolute assurance against errors or fraud. The controls are delegated by the Council through the Chief Executive to the rest of the organisation. Controls are concerned with safeguarding WRVS's assets and maintaining the integrity of accounting controls.

## Report of the Council (continued)

### Statement of Corporate Governance (continued)

Income from hospital, prison and court projects arises from the cash takings of their retail activities. These are the amounts that have been recorded in WRVS's accounting records. During the year much progress has been made to ensure the completeness of this income through the adoption of systems of internal control, tills, cash reconciliations and internal audit. However, the Report of the Auditors has again been qualified in respect of these trading projects.

The internal financial controls are subject to regular review by the internal audit department, which carries out a programme of cyclical reviews. Reports prepared by the internal audit manager are regularly presented to Council, ensuring that the controls are reviewed on an on-going basis.

The remuneration of the Chief Executive and senior management of the charity are reviewed annually by the Council, with advice from independent consultants.

### The Council

The following members were in office at 31 March 1999 and served throughout the year except where shown:

Lady Toulson CBE		Chairman, resigned 31 March 1999
Tina Tietjen	**	appointed 1 March 1999, Chairman from 31 March 1999
Alice Cleland	**	Vice-Chairman
Peter Drew	*	
Alison Findlay	**	appointed 26 November 1998
Gillian Keeley	**	appointed 26 November 1998
Timothy Roberton	*	
Elaine Ross, CBE		retired 26 November 1998, co-opted onto the Council as a non-voting member
Sandra Taylor		retired 26 November 1998
Marion Yool, DL	**	
	*	member of the Audit Committee
	**	member of the Legacy Committee

In accordance with Article 31(3), Peter Drew will retire, having served six years on the Council. Both Alice Cleland and Marion Yool will retire and being eligible will offer themselves for re-election.

No Council member had any beneficial interest in any contract with the charity or its wholly owned subsidiaries during the year.

## Report of the Council (continued)

### Statement of Council's Responsibilities

Charity and company law requires the Council, as trustees and directors, to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and its wholly owned subsidiaries and of their income and expenditure for that period. In preparing the attached accounts the Council considers the charity has :

- used suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the accounts on the going concern basis.

The Council has responsibility for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Companies Act 1985.

### Senior Executives

Gerald Burton	Chief Executive
Simon Branscomb	Director of Hospital Services
Louise Darby	Director of Volunteering and Communications
Carol Hodson	Director of Volunteering Policy and Development
Jan King	Director of Community Services
Mark Lever	Director of Strategic Development
Carole Mayers	Director of Emergency Services and Services Welfare
Mark Rawden	Director of Fundraising
George Tait	Director of Food Services
Barry Taylor	Director of Premises
Gordon Welsby	Director of Finance

### Equal Opportunities

The charity operates an Equal Opportunities Policy. The following statement formalises the position and takes account of the progress already made and experience gained:

"Women's Royal Voluntary Service is committed to ensuring equality of opportunity for its staff, volunteers and all those people in need in the community to whom services are provided. We will endeavour to ensure that recruitment, selection, promotion and training is based on ability only. WRVS will strive to prevent discrimination on the grounds of sex/ gender, marital status, race, sexual orientation, religion or disability in:

- our recruitment and selection practices.
- our employment practices, e.g. training/development, promotion and conditions of service.
- our recruitment and management of volunteers.
- the various services that we provide.

## Report of the Council (continued)

### Equal Opportunities (continued)

We will not only ensure the services we provide are appropriate and relevant to all groups, but we will also ensure that the manner and processes for delivering the services are inclusive and accessible to all.

We aim to recruit volunteers from *all groups* in the community, giving emphasis to where there is under representation, for example those with disabilities, young people and ethnic minorities.

We seek to ensure that equal opportunities become a reality in practice, and not simply a paper commitment. We are introducing measures to combat all direct or indirect discrimination in employment practices and in the provision of services. Service users will be ensured of equal access to services and resources. We plan to review these procedures and practices and monitor the results."

### Year 2000

WRVS has developed a detailed plan to ensure that its computers and other operating systems are able to function effectively in the year 2000 and thereafter. Many of the key hardware and software issues have already been addressed and the remaining upgrades required are being undertaken.

It is expected that very few of the services provided by WRVS will be at risk and therefore any costs to rectify problems are considered at the present time to be small. However, WRVS will continue to monitor its exposure, especially in relation to outside agencies on which it depends.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the charity will be put to the Annual General Meeting.

By Order of the Council

G Burton  
Secretary

29 October 1999

# BINDER HAMLYN

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Andersen Worldwide

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20 Old Bailey  
London EC4M 7BH

## Auditors' report

### To the Members of Women's Royal Voluntary Service

We have audited the accounts set out on pages 12 to 32 which have been prepared in accordance with the accounting policies set out on pages 15 to 17.

### Respective responsibilities of members of Council and auditors

As described on page 9 the members of the Council are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the members of Council in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the charity and of the group, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error.

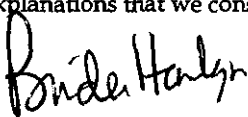
As explained in note 2, the evidence available to us was limited with regard to the income from hospitals, prisons and courts of the charity and group. The income from hospital, prison and court projects comprise cash sales amounting to £30.2m over which there were insufficient systems of control on which we could rely for the purposes of our audit. There were no other satisfactory audit procedures that we could adopt to confirm the completeness of income and that all cash sales were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the charity's and group's income from hospital, prison and court projects and their proper recording of cash sales, in our opinion the accounts give a true and fair view of the state of affairs of the charity and group respectively as at 31 March 1999 and of their consolidated incoming resources, application of resources, including their income and expenditure, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to income from hospital, prison and court projects, we are unable to determine whether proper accounting records have been maintained and we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.



Binder Hamlyn

Chartered Accountants and Registered Auditors

29 October 1999

# Charity statement of financial activities

For the year ended 31 March 1999

	Unrestricted funds £	Restricted funds £	Total 1999 £	Total 1998 £
<b>Incoming resources</b>				
Charitable project income	6,935,313	29,275,774	36,211,087	28,589,281
Grants receivable	5,330,099	45,696	5,375,795	5,097,055
Donations and fundraising income	604,628	134,751	739,379	1,119,506
Legacies receivable	46,096	84,533	130,629	294,699
Rent receivable	239,189	-	239,189	116,709
Investment income	1,212,231	827,399	2,039,630	1,620,901
Management charges receivable from Old WRVS	386,785	-	386,785	638,342
Other income	322,141	10,894	333,035	599,794
Net gain on the disposal of tangible fixed assets	64,158	4,866	69,024	88,313
<b>Total incoming resources</b>	<b>15,140,640</b>	<b>30,383,913</b>	<b>45,524,553</b>	<b>38,164,600</b>
<b>Resources expended</b>				
Direct charitable expenditure				
- community assistance	10,552,676	25,003,537	35,556,213	28,502,906
- grants	283,337	4,434,588	4,717,925	5,079,360
	10,836,013	29,438,125	40,274,138	33,582,266
Other expenditure				
- fundraising and publicity	970,797	-	970,797	992,582
- administration and management	421,753	-	421,753	467,740
- irrecoverable VAT	309,614	744,233	1,053,847	993,789
<b>Total resources expended</b>	<b>12,538,177</b>	<b>30,182,358</b>	<b>42,720,535</b>	<b>36,036,377</b>
<b>Net incoming/(outgoing) resources</b>	<b>2,602,463</b>	<b>201,555</b>	<b>2,804,018</b>	<b>2,128,223</b>
<b>Net gains on investments</b>	<b>2,650,581</b>	<b>82,363</b>	<b>2,732,944</b>	<b>3,567,545</b>
<b>Net movement in funds</b>	<b>5,253,044</b>	<b>283,918</b>	<b>5,536,962</b>	<b>5,695,768</b>
<b>Fund balances at 1 April 1998</b>	<b>21,268,965</b>	<b>11,338,041</b>	<b>32,607,006</b>	<b>25,160,992</b>
<b>Funds introduced during the year</b>	<b>1,298,660</b>	<b>-</b>	<b>1,298,660</b>	<b>1,750,246</b>
<b>Fund balances at 31 March 1999</b>	<b>27,820,669</b>	<b>11,621,959</b>	<b>39,442,628</b>	<b>32,607,006</b>

All the above results derive from the continuing activities of the charity.

There are no gains or losses other than those shown above.

# Consolidated statement of financial activities

For the year ended 31 March 1999

	Notes	Unrestricted funds £	Restricted funds £	Total 1999 £	Total 1998 £
<b>Incoming resources</b>					
Charitable project income	2	10,584,498	29,275,774	39,860,272	31,942,820
Grants receivable	3	5,718,162	1,786,631	7,504,793	7,502,315
Donations and fundraising income		604,628	134,751	739,379	1,119,506
Legacies receivable		46,096	84,533	130,629	294,699
Rent receivable		239,189	72,281	311,470	191,756
Investment income	4	1,201,179	903,933	2,105,112	1,729,036
Management charges receivable from Old WRVS	19	325,747	-	325,747	514,052
Other income		107,180	10,894	118,074	89,717
Net gain on the disposal of tangible fixed assets		62,763	227,873	290,636	1,021,342
<b>Total incoming resources</b>		<b>18,889,442</b>	<b>32,496,670</b>	<b>51,386,112</b>	<b>44,405,243</b>
<b>Resources expended</b>					
Direct charitable expenditure					
- community assistance		14,449,472	27,341,810	41,791,282	34,249,866
- grants		283,337	4,434,588	4,717,925	5,079,360
		14,732,809	31,776,398	46,509,207	39,329,226
Other expenditure					
- fundraising and publicity		970,797	-	970,797	990,478
- administration and management		332,204	130,651	462,855	613,706
- irrecoverable VAT	9	309,614	775,486	1,085,100	1,031,457
<b>Total resources expended</b>	5	<b>16,345,424</b>	<b>32,682,535</b>	<b>49,027,959</b>	<b>41,964,867</b>
<b>Net incoming/(outgoing) resources before transfer</b>	6	<b>2,544,018</b>	<b>(185,865)</b>	<b>2,358,153</b>	<b>2,440,376</b>
Transfer	15	7,480	(7,480)	-	-
<b>Net gains on investments</b>	11	<b>2,650,581</b>	<b>82,363</b>	<b>2,732,944</b>	<b>3,567,545</b>
<b>Net movement in funds</b>		<b>5,202,079</b>	<b>(110,982)</b>	<b>5,091,097</b>	<b>6,007,921</b>
<b>Fund balances at 1 April 1998</b>		<b>21,174,083</b>	<b>16,447,725</b>	<b>37,621,808</b>	<b>29,863,641</b>
<b>Funds introduced during the year</b>	16	<b>1,298,660</b>	<b>-</b>	<b>1,298,660</b>	<b>1,750,246</b>
<b>Fund balances at 31 March 1999</b>		<b>27,674,822</b>	<b>16,336,743</b>	<b>44,011,565</b>	<b>37,621,808</b>

All the above results derive from the continuing activities of the charity and its subsidiary companies.

There are no gains or losses other than those shown above.

## Voluntary Support

WRVS has not included the value which volunteers bring to the organisation through the time which they dedicate to the service of others. A conservative estimate, based on the number of hours donated each year to their communities, at an hourly rate of £5, would equate to some £60 million each year.

# Balance sheets

31 March 1999

Notes	1999		1998	
	Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>				
Tangible fixed assets	10	6,008,630	1,837,014	6,644,603
Investments	11	32,145,130	32,145,140	27,494,297
		<u>38,153,760</u>	<u>33,982,154</u>	<u>34,138,900</u>
				<u>29,559,572</u>
<b>Current assets</b>				
Debtors	13	1,598,610	2,875,375	1,278,259
Cash on deposit and in hand	12	7,675,303	6,191,222	5,115,536
		<u>9,273,913</u>	<u>9,066,597</u>	<u>6,393,795</u>
				<u>5,848,647</u>
<b>Creditors: Amounts falling due within one year</b>	14	(3,416,018)	(3,457,682)	(2,910,887)
		<u>(3,416,018)</u>	<u>(3,457,682)</u>	<u>(2,910,887)</u>
<b>Net current assets</b>		<u>5,857,805</u>	<u>5,608,915</u>	<u>3,482,908</u>
				<u>3,327,422</u>
<b>Total assets less current liabilities</b>		<u>44,011,565</u>	<u>39,591,069</u>	<u>37,621,808</u>
				<u>32,886,994</u>
<b>Creditors: Amounts falling due after more than one year</b>				
Amounts due to group undertakings	18	-	(148,441)	-
		<u>-</u>	<u>(148,441)</u>	<u>(279,988)</u>
<b>Total net assets</b>	17	<u>44,011,565</u>	<u>39,442,628</u>	<u>37,621,808</u>
				<u>32,607,006</u>
<b>Represented by:</b>				
<b>Fund balances:</b>				
<b>Charitable funds</b>				
Restricted funds	15	16,336,743	11,621,959	16,447,725
Unrestricted funds				
- designated funds	15	16,442,195	16,004,255	11,874,364
- general funds		11,246,295	11,816,414	9,321,110
		<u>44,025,233</u>	<u>39,442,628</u>	<u>37,643,199</u>
				<u>32,607,006</u>
<b>Non-charitable trading funds</b>		(13,668)	-	(21,391)
		<u>44,011,565</u>	<u>39,442,628</u>	<u>37,621,808</u>
				<u>32,607,006</u>

Unrealised gains included above amount to £5,749,739 (1998: £3,016,794).

Approved by and signed on behalf of, the Council on 29 October 1999

Tina Tietjen  
Member of the Council

Timothy Robertson  
Member of the Council



# Consolidated cash flow statement

For the year ended 31 March 1999

	Notes	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	(a)	1,905,182	1,862,800
<b>Returns on investments and servicing of finance</b>			
Investment income and interest received		2,105,112	1,729,036
<b>Capital expenditure and financial investment</b>			
Payment to acquire tangible fixed assets		(337,991)	(828,148)
Receipts from the disposal of tangible fixed assets		565,353	2,001,747
Payments to acquire fixed asset investments		(7,914,054)	(7,361,650)
Receipts from the disposal of fixed asset investments		5,554,689	5,548,187
		<u>(2,132,003)</u>	<u>(639,864)</u>
<b>Increase in cash in the period</b>	(b)	<u>1,878,291</u>	<u>2,951,972</u>

## a) Reconciliation of net incoming resources to net cash inflow from operating activities

	1999 £	1998 £
Net incoming resources	2,358,153	2,440,376
Net current assets introduced during the year from 'old - WRVS'	1,298,660	1,750,246
Depreciation	459,247	506,834
Net gain on disposal of tangible fixed assets	(290,636)	(1,021,342)
Investment income and interest receivable	(2,105,112)	(1,729,036)
(Increase)/decrease in debtors	(320,351)	247,253
Increase/(decrease) in creditors	505,221	(331,531)
Net cash inflow from operating activities	<u>1,905,182</u>	<u>1,862,800</u>

## b) Analysis of increase in net funds

	At 1 April 1998 £	Cash flows £	At 31 March 1999 £
Cash at bank and in hand	5,115,536	2,559,767	7,675,303
Cash held by investment managers	1,738,970	(681,476)	1,057,494
	<u>6,854,506</u>	<u>1,878,291</u>	<u>8,732,797</u>

# Notes to the consolidated accounts

31 March 1999

## 1 Principal accounting policies

### *a) Basis of accounting*

The accounts have been prepared under the historical cost convention as modified by the inclusion of certain investments at market value. Applicable accounting standards and the Statement of Recommended Practice on 'Accounting by Charities' (SORP) have been followed in the preparation of the accounts.

### *b) Basis of consolidation*

The statement of financial activities and balance sheet consolidate the accounts of the charity and all its subsidiary undertakings made up to the balance sheet date. The results of subsidiary undertakings are included in the group accounts from their effective date of acquisition (or up to their effective date of disposal).

The results and balance sheets of all subsidiary companies have been consolidated on a line by line basis.

The group accounts do not include the results and net assets of connected entities (note 19).

### *c) Grants receivable*

#### **Home Office grant-in-aid**

Grant-in-aid allocated to revenue is credited to the statement of financial activities on an accruals basis.

#### **Grant from the Ministry of Defence**

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding unappropriated at the end of the each accounting period is deemed to be repayable to the Ministry of Defence.

#### **Food project grants**

Grants received from local authorities for the purchase of kitchen equipment and motor vehicles used by food projects, and towards the initial setting up costs and running expenses of each individual project, are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds. The restricted funds are reduced each year by an amount equal to any expenditure on such assets and the initial setting up costs incurred.

#### **Other capital grants**

Other capital grants received towards the cost of tangible fixed assets are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds. The restricted funds are reduced by annual transfers of amounts equivalent to any depreciation charges over the expected useful life of the asset concerned.

### *d) Income from the provision and delivery of meals*

Income receivable from local authorities for the provision and delivery of meals is credited to the statement of financial activities in accordance with the terms of the contract with the relevant local authority. In the absence of any formal contract with the local authority an amount equal to the total costs (including general overheads) of the food project has been credited to the statement of financial activities.

## Notes to the consolidated accounts (continued)

### 1 Principal accounting policies (continued)

#### *e) Rents receivable*

Rents receivable, which relate to sublets to group properties, are accounted for on an accruals basis.

#### *f) Investment income and interest receivable*

Investment income and interest receivable are accounted for on an accruals basis.

#### *g) Donations received*

Donations are accounted for in the year in which they are received.

#### *h) Legacies receivable*

Legacies are credited to the statement of financial activities once the charity and group have been notified of their entitlement to the income and the value of the legacies is capable of financial measurement.

#### *i) Expenditure*

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and its charitable subsidiaries and includes direct staff attributable to the activity and an allocation of the general management and overhead costs.

Fundraising and publicity costs comprise expenditure incurred by the charity in inducing others to make contributions to it and in enhancing public awareness of the activities of Women's Royal Voluntary Service.

Administration and management costs include expenditure on general administration, management and compliance with constitutional and statutory requirements.

#### *j) Equipment and motor vehicles used by food projects*

WRVS Food Services Limited, a group company, has purchased kitchen equipment and motor vehicles for the purpose of fulfilling its obligations under contracts entered into with local authorities for the purchase and delivery of meals. In many cases the duration of such contracts is limited to a very short period of time although they may be renewable thereafter. Certain items of equipment and motor vehicles are also held on trust on behalf of the local authorities.

Consequently, the directors of WRVS Food Services Limited and the Council of Women's Royal Voluntary Service believe that the correct accounting treatment for such assets is to write them off to the statement of financial activities, in full, in the year of purchase.

## Notes to the consolidated accounts (continued)

### 1 Principal accounting policies (continued)

#### k) *Leased assets*

Leased equipment, financed by leasing or hire purchase agreements that give rights approximately to ownership, is treated as if it has been purchased outright and the corresponding obligations are treated as liabilities. The charge to the statement of financial activities is represented by depreciation, calculated in accordance with the group's policy, and interest. The total interest, being the difference between the total instalments payable and the invoiced cost, is charged to the statement of financial activities so as to produce a constant periodic charge on the remaining balance of the obligations for each accounting period.

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities as incurred.

#### l) *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% on cost or valuation
Long leaseholds (50 years or more)	2% on cost or valuation
Short leaseholds	equal instalments over the length of the lease
Motor vehicles	20% on cost
Furniture and office equipment	20% on cost
Computer equipment	33 $\frac{1}{3}$ % on cost

No depreciation is provided on freehold land which is taken to be equal to 10% of the purchase price of the freehold land and buildings.

#### m) *Investments*

With the exception of investments in subsidiary companies, investments are included in the accounts at their market value at the end of the financial period. Realised and unrealised gains and losses are credited or debited to the statement of financial activities in the year in which they arise.

Investments in subsidiary companies are included in the accounts at cost.

#### n) *Fund accounting*

The general fund comprises those monies which may be used towards meeting the charitable objectives of the group at the discretion of the Council.

The restricted funds are monies raised for a specific purpose, or donations subject to donor imposed restrictions.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Council.

Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.

## Notes to the consolidated accounts (continued)

### 2 Charitable project income

	Unrestricted £	Restricted £	Total 1999 £
Community assistance			
- hospitals	-	28,019,564	28,019,564
- prisons and courts	899,651	1,252,496	2,152,147
- meals on wheels	9,547,984	-	9,547,984
- other	136,863	3,714	140,577
	<u>10,584,498</u>	<u>29,275,774</u>	<u>39,860,272</u>

Income from hospital, prison and court projects arises from the cash takings of their retail activities. These are the amounts that have been recorded in WRVS's accounting records. Due to difficulties in ensuring completion of income WRVS has embarked upon an extensive programme of enhancing internal control. This programme is ongoing and since the year end much progress has been made to ensure the completeness of this income through systems of internal control, tills, cash reconciliations and internal audit.

### 3 Grants receivable

	1999 £	1998 £
Home Office grant in aid (see (a) below)	5,298,000	5,548,000
Ministry of Defence grant (see (b) below)	1,740,935	1,690,869
Other grants	465,858	263,446
	<u>7,504,793</u>	<u>7,502,315</u>

- (a) An annual grant from the Home Office to assist with the promotion of volunteering, core expenditure and the administration of premises used by the charity and the group.
- (b) An annual grant allocated to WRVS Services Welfare Limited and used to provide welfare and support to army service men and women serving on army bases throughout the world.

## Notes to the consolidated accounts (continued)

### 4 Investment income

	1999 £	1998 £
Listed investment income		
- unit trusts	183,457	147,945
- equities	85,441	53,731
- UK Treasury stock	346,810	281,125
- corporate loan stock	631,106	687,167
	<u>1,246,814</u>	<u>1,169,968</u>
Bank interest	357,841	304,368
Investment property income	500,457	254,700
	<u>2,105,112</u>	<u>1,729,036</u>

### 5 Total resources expended

	Grants £	Staff costs £	Other costs £	Total 1999 £
Community assistance				
- hospitals	4,168,183	2,255,755	21,127,137	27,551,075
- prisons and courts	499,805	1,012,988	2,366,597	3,879,390
- meals on wheels	40,034	3,665,181	7,821,483	11,526,698
- other	9,903	2,293,835	1,248,306	3,552,044
	<u>4,717,925</u>	<u>9,227,759</u>	<u>32,563,523</u>	<u>46,509,207</u>
Other				
- fundraising and publicity	-	464,124	506,673	970,797
- administration and management	-	190,930	271,925	462,855
- irrecoverable VAT	-	-	1,085,100	1,085,100
<b>Total resources expended</b>	<u>4,717,925</u>	<u>9,882,813</u>	<u>34,427,221</u>	<u>49,027,959</u>

A list of grants made is available upon request.

## Notes to the consolidated accounts (continued)

### 6 Net incoming/(outgoing) resources before transfers

This is stated after charging:

	1999 £	1998 £
Auditors' remuneration:		
- audit services	61,000	82,219
- other services	17,350	23,350
Depreciation	459,247	506,834
Operating lease rentals	<u>486,893</u>	<u>485,193</u>

### 7 Staff costs and Council members' remuneration

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	8,770,019	6,450,510
Social security costs	621,081	549,327
Other pension costs	355,747	361,088
Other staff costs	<u>135,966</u>	<u>156,723</u>
	<u>9,882,813</u>	<u>7,517,648</u>

The number of employees who earned £40,000 p.a. or more (including taxable benefits) during the year were as follows:

	1999 Number	1998 Number
£40,001 - £50,000	5	3
£50,001 - £60,000	1	-
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

The average number of full time and part time employees, analysed by function was:

Community assistance	1,599	1,552
Fundraising and publicity	23	14
Administration and management	<u>11</u>	<u>6</u>
	<u>1,633</u>	<u>1,572</u>

Of the 1,633 employees in 1999, 346 were full time.

## Notes to the consolidated accounts (continued)

### 7 Staff costs and Council members' remuneration (continued)

The following Council members received remuneration for services as members of the Council in accordance with the charity's constitution as approved by the Charity Commission (1998: £Nil).

	1999 £
Lady Toulson	4,367
Alice Cleland	1,667
Alison Findlay	1,667
Gillian Keeley	1,667
Marion Yool	1,667
	<hr/>
	11,035

Expenses reimbursed to, or incurred on behalf of, all members of Council during the year were as follows:

	1999 £	1998 £
Travel expenses	5,247	3,961
Accommodation and subsistence	8,975	5,760
	<hr/>	<hr/>
	14,222	9,721

### 8 Indemnity insurance

During the year, the charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any director, officer of the company, trustee or employee and to indemnify any director, officers of the company, trustee or employee against the consequence of any wrongful act on their part. The total cover provided by such insurance is £1,000,000 (1998 - £1,000,000) and the total premium paid in respect of such insurance was £3,635 (1998 - £4,556).

### 9 Taxation

Women's Royal Voluntary Service is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Subsidiary companies which do not have Crown Exemption from direct taxation, have entered into deeds of covenant with Women's Royal Voluntary Service under which any taxable profits or surpluses are covenanted to the charity each year.

The charity and group is not able to reclaim all VAT suffered on expenditure due to the partial exemption rules. Irrecoverable VAT is shown separately on the statements of financial activities as it is not possible to easily allocate it to cost classifications. In addition it serves to highlight the cost of the VAT rules to WRVS.



## Notes to the consolidated accounts (continued)

### 10 Tangible fixed assets

Group	Freehold buildings £	Leasehold property		Vehicles, equipment and furniture £	Total £
		Long £	Short £		
<b>Cost or valuation</b>					
At 1 April 1998	4,974,277	1,423,961	303,894	2,952,935	9,655,067
Reclassifications	-	(250,000)	-	-	(250,000)
Additions	21,864	-	9,000	307,127	337,991
Disposals	(272,295)	(5,790)	(50,227)	(288,679)	(616,991)
At 31 March 1999	4,723,846	1,168,171	262,667	2,971,383	9,126,067
<b>Cost</b>	3,688,346	993,171	172,667	2,971,383	7,825,567
<b>Valuation</b>	1,035,500	175,000	90,000	-	1,300,500
	4,723,846	1,168,171	262,667	2,971,383	9,126,067
<b>Depreciation</b>					
At 1 April 1998	604,383	115,017	81,920	2,209,144	3,010,464
Charge for year	95,517	23,362	24,324	316,044	459,247
On disposals and reclassifications	(58,342)	(12,084)	(21,820)	(260,028)	(352,274)
At 31 March 1999	641,558	126,295	84,424	2,265,160	3,117,437
<b>Net book values</b>					
At 31 March 1999	4,082,288	1,041,876	178,243	706,223	6,008,630
At 31 March 1998	4,369,894	1,308,944	221,974	743,791	6,644,603

The net book value at 31 March 1999 represents tangible fixed assets used for:

Community assistance	3,345,784	1,021,038	174,678	663,850	5,205,350
Fundraising and publicity	-	-	-	28,249	28,249
Administration and management	736,504	20,838	3,565	14,124	775,031
	4,082,288	1,041,876	178,243	706,223	6,008,630

WRVS Office Premises Limited, a subsidiary company, has entered into a declaration of trust under which all properties of that company are held on trust for Her Majesty's Secretary of State for the Home Office absolutely. At 31 March 1999 the net book value of these properties amounted to £3,782,470 (1998 - £4,169,890).

WRVS Food Services Limited, a subsidiary company, has entered into declarations of trust under which certain items of equipment and motor vehicles used by food projects are held on trust for local authorities absolutely.

# Notes to the consolidated accounts (continued)

## 10 Tangible fixed assets (continued)

Charity	Freehold buildings £	Leasehold property		Vehicles equipment and furniture £	Total £
		Long £	Short £		
<b>Cost or valuation</b>					
At 1 April 1998	1,498,735	425,000	111,292	1,994,869	4,029,896
Additions	-	-	-	180,016	180,016
Reclassifications	-	(250,000)	-	-	(250,000)
Disposals	-	-	-	(220,571)	(220,571)
At 31 March 1999	1,498,735	175,000	111,292	1,954,314	3,739,341
Cost	743,235	-	21,292	1,954,314	2,718,841
Valuation	755,500	175,000	90,000	-	1,020,500
	1,498,735	175,000	111,292	1,954,314	3,739,341
<b>Depreciation</b>					
At 1 April 1998	55,133	17,000	24,629	1,867,869	1,964,631
Charge for year	27,465	3,500	12,267	118,539	161,771
On disposals and reclassifications	-	(10,000)	-	(214,075)	(224,075)
At 31 March 1999	82,598	10,500	36,896	1,772,333	1,902,327
<b>Net book values</b>					
At 31 March 1999	1,416,137	164,500	74,396	181,981	1,837,014
At 31 March 1998	1,443,602	408,000	86,663	127,000	2,065,265

The net book value at 31 March 1999 represents tangible fixed assets used for:

Community assistance	700,409	161,210	72,908	174,702	1,109,229
Fundraising and publicity	-	-	-	1,820	1,820
Administration and management	715,728	3,290	1,488	5,459	725,965
	1,416,137	164,500	74,396	181,981	1,837,014

### Assets held on finance leases

The net book value of tangible fixed assets at 31 March 1999 includes £17,985 (1998 - £57,269) in respect of computer equipment held on finance leases with a group undertaking.

The depreciation charge for the year includes £39,285 (1998 - £68,173) in respect of computer equipment held on finance leases with a group undertaking.

## Notes to the consolidated accounts (continued)

### 11 Investments

Group	Freehold property £	Listed investments £	1999 Total £	1998 Total £
Market value at 1 April 1998	3,035,344	22,719,983	25,755,327	25,704,957
Movement of investments held on behalf of old WRVS	-	1,497,126	1,497,126	(2,746,247)
Additions	595,696	5,821,231	6,416,927	7,361,650
Reclassification (net of depreciation)	240,000	-	240,000	-
Disposals	-	(5,554,689)	(5,554,689)	(8,132,578)
Net investment gains	1,903,960	828,985	2,732,945	3,567,545
	5,775,000	25,312,636	31,087,636	25,755,327
Cash held by investment managers for reinvestment	-	1,057,494	1,057,494	1,738,970
Market value at 31 March 1999	5,775,000	26,370,130	32,145,130	27,494,297
Historic cost	3,871,040	22,524,351	26,395,391	24,477,503
Unrealised gain	1,903,960	3,845,779	5,749,739	3,016,794
	5,775,000	26,370,130	32,145,130	27,494,297

### Charity

In addition to the investments shown above, the Charity holds shares in subsidiary companies with a value of £12 (1998: £12).

### Group and charity

Having taken professional advice from property advisers Richard Ellis St. Quintin and Chestertons, the Council is of the opinion that the market value of the investment properties at 31 March 1999 was £5,775,000.

Listed investments held at 31 March 1999 comprised the following:

	1999 £	1998 £
Units trusts	7,793,491	7,225,743
Equities	368,250	508,420
UK Treasury stock	3,474,350	4,777,609
Corporate loan stock	13,676,545	10,208,211
	25,312,636	22,719,983

All listed investments were quoted on a recognised stock exchange.

## Notes to the consolidated accounts (continued)

### 11 Investments (continued)

WRVS has eight wholly owned subsidiary companies. All companies are incorporated in England.

A summary of the activities and financial position of the subsidiaries is given the table below:

	Income £	Net surplus/ (deficit) before deed of covenant £	Net assets/ (liabilities) £
<i>WRVS Asset Supply Limited</i>			
The supply of motor vehicles under operating leases	144,315	56,008	(169,115)
<i>WRVS Enterprises Limited</i>			
General trading activities	7,362	5,143	(13,666)
<i>WRVS Food Services Limited</i>			
The provision and delivery of meals to those in need in their home	3,712,709	159,145	48,796
<i>WRVS Services Welfare Limited</i>			
The provision of welfare and support to army service men and women serving on army bases throughout the world	1,757,368	-	2
<i>WRVS Supplies Limited</i>			
The supply of fuel, light and computer services	212,264	78,987	(11,756)
<i>WRVS Office Premises Limited</i>			
The purchase, sale, lease and management of property	708,881	(387,420)	4,714,784
<i>Milton Hill Training Services Limited</i>			
Dormant	-	-	2
<i>WRVS Emergency Services Limited</i>			
Dormant	-	-	-

### 12 Cash on deposit and in hand

Cash on deposit and in hand is represented by balances held at approximately 2,500 WRVS projects. There is a pooling arrangement to ensure that the charity maximises its interest in these accounts. The bulk of these monies are represented by restricted funds and are to be paid out to hospitals and local authorities.

## Notes to the consolidated accounts (continued)

### 13 Debtors

	1999		1998	
	Group £	Charity £	Group £	Charity £
Trade debtors	128,854	42,609	145,336	8,049
Amounts due from group undertakings	-	1,810,180	-	2,072,580
Taxation recoverable	53,261	53,261	122,825	122,825
Other debtors	527,498	408,064	424,719	388,001
Prepayments and accrued income	653,574	372,370	180,483	49,554
Rents paid in advance	46,532	-	45,021	-
Reimbursable expenses	188,891	188,891	359,875	359,875
	<u>1,598,610</u>	<u>2,875,375</u>	<u>1,278,259</u>	<u>3,000,884</u>

Included in debtors of the charity are £392,394 (1998 - £503,859) being amounts due from group undertakings which are due after more than one year.

### 14 Creditors: amounts falling due within one year

	1999		1998	
	Group £	Charity £	Group £	Charity £
Expense creditors	1,180,527	905,242	989,050	750,931
Amounts due to group undertakings	-	1,034,859	-	727,460
Social security and other taxes	838,112	711,218	672,783	440,459
Other creditors	752,363	591,916	611,834	349,848
Amount due to the Ministry of Defence	266,825	-	236,853	-
Accruals	378,281	214,447	400,367	252,527
	<u>3,416,108</u>	<u>3,457,682</u>	<u>2,910,887</u>	<u>2,521,225</u>

## Notes to the consolidated accounts (continued)

### 15 Restricted and designated funds

The income funds of the charity and the group include restricted funds comprising the following unexpended balances of donations and grant held on trusts to be applied for specific purposes:

Group - restricted	Note	At 1 April 1998 £	Movements in funds		At 31 March 1999 £
			Incoming resources £	Expenditure, gains, losses and transfers £	
Hospital project funds	(a)	9,390,349	29,050,606	(28,634,122)	9,806,833
Capital fund	(b)	4,169,890	223,007	(610,427)	3,782,470
Legacy fund	(c)	1,732,079	84,242	(186,239)	1,630,082
Property reserve fund	(d)	932,314	-	-	932,314
Provision of meals fund	(e)	7,480	-	(7,480)	-
Services Welfare fund		-	1,757,368	(1,757,368)	-
Prison project funds		-	1,297,706	(1,297,706)	-
Other		215,613	83,741	(114,310)	185,044
		<u>16,447,725</u>	<u>32,496,670</u>	<u>(32,607,652)</u>	<u>16,336,743</u>

Group - designated		At 1 April 1998 £	New Designations £	Utilised/ released £	At 31 March 1999 £
Capital projects fund	(f)	5,768,396	412,117	(509,395)	5,671,118
Investment property fund	(g)	3,035,344	2,739,656	-	5,775,000
Development fund	(h)	1,000,000	750,000	(197,000)	1,553,000
Food services fund	(i)	-	1,347,454	-	1,347,454
Community services fund	(j)	863,649	1,241,330	(1,194,874)	910,105
Fixed asset fund	(k)	527,595	308,963	(265,431)	571,127
Other		679,380	325,689	(390,678)	614,391
		<u>11,874,364</u>	<u>7,125,209</u>	<u>(2,557,378)</u>	<u>16,442,195</u>

A review of funding during the year indicated that the provision of meals fund should be classified as an unrestricted fund and accordingly £7,480 has been transferred from restricted to unrestricted funds.

## Notes to the consolidated accounts (continued)

### 15 Restricted and designated funds (continued)

Charity - restricted	Note	At 1 April 1998 £	Movements in funds		At 31 March 1999 £
			Incoming Resources £	Expenditure, gains, losses and transfers £	
Hospital project funds	(a)	9,390,349	28,918,224	(28,501,740)	9,806,833
Legacy fund	(c)	1,732,079	84,242	(186,239)	1,630,082
Prison project funds		-	1,297,706	(1,297,706)	-
Other		215,613	83,741	(114,310)	185,044
		<u>11,338,041</u>	<u>30,383,913</u>	<u>(30,099,995)</u>	<u>11,621,959</u>

Charity - designated		At 1 April 1998 £	New Designations £	Utilised/ released £	At 31 March 1999 £
Capital projects fund	(f)	5,768,396	412,117	(509,395)	5,671,118
Investment property fund	(g)	3,035,344	2,739,656	-	5,775,000
Development fund	(h)	1,000,000	750,000	(197,000)	1,553,000
Food services fund	(i)	-	1,298,660	-	1,298,660
Community services fund	(j)	863,649	1,241,330	(1,194,874)	910,105
Fixed asset fund	(k)	127,000	180,016	(125,035)	181,981
Other		679,380	325,689	(390,678)	614,391
		<u>11,473,769</u>	<u>6,947,468</u>	<u>(2,416,982)</u>	<u>16,004,255</u>

The specific purposes for which the restricted funds must be applied are as follows:

- The hospital project funds comprise the accumulated surpluses of individual hospital projects held on trust for granting to the relevant hospitals. The funds are represented by net current assets.
- The capital fund represents the total amount of tangible fixed assets, less accumulated depreciation, in WRVS Office Premises, as explained in note 10.
- The legacy fund comprises monies which must be used according to specific terms laid down by the legator. The fund is represented by fixed asset investments.

## Notes to the consolidated accounts (continued)

### 15 Restricted and designated funds (continued)

- (d) The property reserve fund comprises the surplus arising, on past disposals of tangible fixed assets by WRVS Office Premises Limited. The fund is represented by net current assets.
- (e) The provision of meals funds comprise monies received by WRVS Food Services Limited from local authorities for the purchase of kitchen equipment and motor vehicles used by food projects, and towards the initial setting up costs and running expenses of each individual food project. The fund was represented by net current assets.

The income funds of the charity and the group include the following designated funds which have been set aside out of unrestricted funds by the Council for specific purposes:

- (f) The capital projects fund represents monies set aside for capital expenditure on new projects.
- (g) The investment properties fund represents the market value of the investment properties held.
- (h) The development fund represents the estimated costs of re-shaping WRVS in line with the 'one-service' ethos.
- (i) The food services fund represents the surpluses arising from the meals on wheels projects.
- (j) The community services fund represents surpluses from the prison and court projects available to fund the community services activities of the charity.
- (k) The fixed asset fund represents written down value of vehicles, equipment and furniture included in tangible fixed assets, excluding those held as restricted funds.

### 16 Funds and activities introduced during the year

Funds introduced in the year represent the assets and liabilities of meals on wheels of the old-WRVS meals on wheels projects, which were transferred to Women's Royal Voluntary Service during the year in accordance with the legal transfer of undertakings dated 26 October 1994. Prior to the transfer, these funds formed part of old-WRVS (note 19).

The funds introduced were represented by net current assets totalling £1,298,660 (1998: £1,750,246).



## Notes to the consolidated accounts (continued)

### 17 Analysis of net assets between funds

Group	General £	Designated Funds £	Restricted funds £	1999 Total £
Fund balances at 31 March 1999 are represented by:				
Tangible fixed assets	1,655,033	571,127	3,782,470	6,008,630
Fixed asset investments	20,875,612	9,639,436	1,630,082	32,145,130
Net current assets/(liabilities)	(11,298,018)	6,231,632	10,924,191	5,857,805
Total net assets	<u>11,232,627</u>	<u>16,442,195</u>	<u>16,336,743</u>	<u>44,011,565</u>

### Charity

Fund balances at 31 March 1999 are represented by:

Tangible fixed assets	1,655,033	181,981	-	1,837,014
Fixed asset investments	20,875,622	9,639,436	1,630,082	32,145,140
Net current assets/(liabilities)	(10,565,800)	6,182,838	9,991,877	5,608,915
Creditors: amounts falling due after more than one year	(148,441)	-	-	(148,441)
Total net assets	<u>11,816,414</u>	<u>16,004,255</u>	<u>11,621,959</u>	<u>39,442,628</u>

### 18 Financial commitments

#### Group

#### a) Operating leases

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

	Land and buildings		Other	
	1999 £	1998 £	1999 £	1998 £
Expiring:				
- within one year	35,430	36,024	9,728	40,864
- within two to five years	29,655	83,698	-	5,250
- thereafter	115,459	67,195	-	-
	<u>180,544</u>	<u>186,917</u>	<u>9,728</u>	<u>46,114</u>

#### b) Software Licensing Agreement

At 31 March 1999 the group has annual commitments under a software licensing agreement amounting to £23,000 (1998 - £31,312).

# Notes to the consolidated accounts (continued)

## 18 Financial commitments (continued)

### Charity

#### a) Operating leases

	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Expiring:				
- within one year	300	-	8,825	-
- within two to five years	13,075	9,425	149,917	123,371
- thereafter	47,100	47,100	-	-
	<u>60,475</u>	<u>56,525</u>	<u>158,742</u>	<u>123,371</u>

#### c) Finance leases

The charity leases certain computer equipment from a subsidiary company under leases classified as finance leases. With effect from 1 April 1998 no further computer equipment will be leased from the subsidiary company.

The future minimum payments to which the charity was committed at 31 March 1999 were as follows:

	1999	1998
	£	£
Payable within		
- one year	154,776	154,776
- two to five years	154,776	309,552
	<u>309,552</u>	<u>464,328</u>
Amounts representing interest	(29,564)	(69,686)
	<u>279,988</u>	<u>394,642</u>
Summary		
- amounts repayable within one year	131,547	114,654
- amounts repayable after one year	148,441	279,988
	<u>279,988</u>	<u>394,642</u>

The finance lease liabilities are subject to the terms of the agreements relating to the relevant computer equipment.

## Notes to the consolidated accounts (continued)

### 19 Connected charities and companies

There are a number of charities and companies with which the group is connected by virtue of common or related objects and activities, or by unity of administration and management. These are listed below together with a brief description of their activities.

Company/charity	Activity
WRVS Trust	A charitable trust supporting the activities of Women's Royal Voluntary Service
WRVS Trustees Limited	A custodian trustee for WRVS Trust and various other trusts
Women's Royal Voluntary Service ("old-WRVS") (Charity Registration No. 254891)	A charity providing voluntary assistance to those in need of care within their local community.

#### *Material transactions*

During the year Women's Royal Voluntary Service received interest on deposits of £115,622 (1998 - £514,000) in administration charges from projects under the auspices of old-WRVS.

### 20 Contingent liabilities

The charity has, together with certain of its subsidiaries, a continuing joint and several liability to H.M. Customs and Excise under group registration for VAT.

WRVS Office Premises Limited, a subsidiary company, has assigned a number of leases of which it was the original lessee. In the event that the assignee or any subsequent assignee should default on the payment of rent, the lessor can exercise a right of redress against the company as the original lessee. It is not possible to quantify the amount of the contingent liability with any degree of accuracy.

### 21 Pension commitments

WRVS Services Welfare Limited operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently of the company's finances. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The latest actuarial valuation, which related to the position at 1 April 1998, shows the market value of the scheme's assets to be £3,233,264, which represented between 110% and 115% of the amount of the liabilities of the scheme, after allowing for assumed future increases in earnings.

The assumptions that have the most significant effect on the results of the actuarial valuation are those relating to the rate of return on investments, the rates of increases in salaries and pension, and the rate of increase in share dividends, and are assumed at 9%, 8% and 4% per annum respectively.