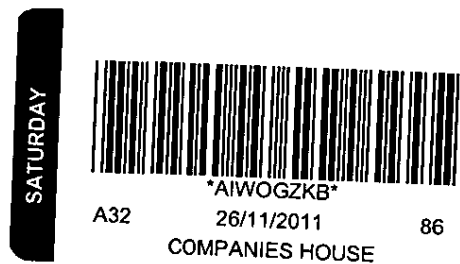


WRVS
ANNUAL REPORT & ACCOUNTS
2010-11





Our Supporters

On behalf of all the people we help, we would like to thank everyone who gives us their time, donates money, runs marathons, takes part in our raffles, responds to our appeals, buys things in our shops or gives us their spare change. However you support us, **thank you**. A list of donors who have indicated that they wish their identity to be disclosed is available on our website www.wrvs.org.uk

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Our purpose

WRVS delivers practical support through the power of volunteering so older people can get more out of life

Our vision

A world where every older person has the opportunity to get more out of life

Our beliefs

We believe

- older people deserve choices to get more out of life
- volunteers are vital and they can get as much out of volunteering as the people they help
- all employees are entitled to understand and feel proud of the critical part they play in the success of WRVS
- we can have a greater impact through working in partnership with others
- everyone deserves the opportunity to both contribute and feel that they belong to their community

Review of 2010-11

WRVS Trustees set a clear vision, purpose and five strategic objectives for the charity in 2007. Progress was made toward these in 2008-09 and 2009-10. In 2010-11 we have bedded down the organisational changes made at the end of the last financial year and developed a new strategic plan to take the organisation through to 2015. The plan sets out the organisational objectives in the context of

- A dramatic increase in the number of people over 65 and a change in their expectations for old age
- Differentiation of services in Scotland, Wales and the English regions
- A need for integration of WRVS work to provide support to communities, local authorities and the NHS

WRVS 2010-11 Strategic Objectives

Objective 1 – to ensure that older people and their wellbeing are at the heart of everything we do

We have supported over 4,800 older people each month to live independently through our good neighbours service, served 3,600,000 meals on wheels to 13,800 people, helped over 7,000 people every month to go shopping, visit friends or attend appointments with our community transport service, and gifted £5.7m to the NHS to improve facilities and patient care from the surplus made in our hospital shops and cafés.

During the year we have delivered the following research projects

Gold Age Pensioners - Valuing the Socio-Economic Contribution of Older People in the UK at a net £40bn contribution

Social impact assessment – research into social impact of our new demonstrator sites which are trialling a new integrated way of working for delivering our services in the community showing that 94% of services users reported that their life was a lot better as a result of WRVS services compared to 62% in a similar study undertaken in 2009. Service users cited the company that derived from contact with WRVS volunteers, help getting out of the house, help



getting to medical appointments and help with shopping as being the largest factors in helping us achieve these impact results. People cited reduced isolation and greater confidence as the biggest emotional benefits of the services WRVS provide.

Social Return on Investment – research into the social value that is created by WRVS activities. This work showed that for each £1 spent in our Leicester Royal Infirmary projects we generated £1.98 in benefits. At our Staffordshire services every £1 spent generated £2.11 in benefits.

Shaping Our Age - a three-year research project involving a customer driven approach to improve older people's wellbeing in partnership with Brunel and De Montfort Universities.

We have used such research as opportunities to improve our brand's profile. The severe winter weather in December and January also gave us many media opportunities to explain the impact of such conditions on older people and raise awareness for the need for volunteers. We achieved 179 positive hits in the national, regional, specialist and broadcast media during the year, a 30% increase on target which has improved WRVS' profile.

WRVS has sought to shape the debate on the future of preventative care in order that local commissioners make good on the commitments by national policymakers in the months following the 2010 general election. We have secured a 'seat at the table' where new policies that impact on older people's care services are being fashioned. We have brought our direct experience of delivering these services to bear and the expanding evidence base we have gathered on the impact of these services.

WRVS was appointed following a competitive process to an advisory group of commissioners and clinicians that drew up proposals for a new England-wide Home From Hospital programme.

WRVS published a manifesto for Wales prior to the Assembly elections. The manifesto called for dedicated funds to be made available to invest in preventative care across the country. The manifesto secured Wales-wide media coverage and led to statements of support from three Welsh political parties.

In Scotland WRVS secured a major parliamentary debate on 5th December 2010 on the future of preventative care. During the course of the debate a series of members of parliament commended WRVS for its work and made the case for an expansion in the availability of preventative care. In response the Scottish Health Minister acknowledged that services designed to maintain older people's independence represented good value for money for the taxpayer.



In the House of Commons the new government said that prevention would be a central pillar in its health and social care policy. WRVS has worked with members of parliament on a cross party basis and emphasised that the Government's commitments must be delivered both to enhance older people's quality of life and to contain financial pressures on the health service. Members of parliament followed up on our representations by tabling questions that sought reassurance from ministers that lack of local progress by commissioners would trigger central intervention.

Objective 2 – to provide a focused range of excellent, innovative, practical, sustainable and relevant services to older people and the communities in which they live

The new regional structure of WRVS improved communications with our volunteers and the ongoing understanding gained from direct research with older people will enable us to design a range of services that they told us they wanted, delivered in the way they want to maximise the opportunities for them to lead their lives as independently as possible. In May 2010 the Trustees approved a new strategic approach which altered the WRVS approach from a menu of services offered approach to a more bespoke building up of a support package for individuals. All service users will be offered a "conversation" with trained volunteer outcome co-ordinators who will listen to the needs of the individuals and design a series of services delivered by volunteers to ensure that they maximise the opportunities for them to lead their lives as independently as possible. We have trialled this new approach in four locations in the UK (Stoke, Pembrokeshire, Teesside and Perthshire) with great success. We have made sure that older people in these areas can access a consistent and broader range of services than was hitherto the case. These have been matched to individuals' needs taking into account all of a person's needs as well as the interdependence of outcomes both at the individual and community levels.

In September 2010 Trustees approved a new strategy for how we maximise the opportunity that our presence in nearly 300 UK hospitals presents us for engaging with older people at critical periods of their lives. Our goal is to provide volunteers to wards with older people and to provide support to care needs of those older people that medical staff find challenging to provide in an NHS that is continually under pressure to become more efficient. We have reached agreement with the first hospital in which we will trial this new approach and hope to roll it out nationwide should it prove successful.

We continue to make strides in the sustainability of our services. A small surplus was achieved before taking into account the planned expenditure on transition and catching up of gifting to hospitals in the year. The deficit was reduced by a VAT refund in relation to sales of hot foods.



amounting to £0 5m (all of which related to VAT overpaid in prior financial years), £0 7m unrealised gain in investments reflecting better investment performance in 2010-11 and a gain on the sale of property of £0 2m

Objective 3 – to deliver excellent services to older people through the power of volunteering

Our volunteers are our strength so innovation and excellence in volunteering and in managing our volunteers is critical to the achievement of WRVS aims. Through these elements we can not only build better communities but can help our volunteers to benefit as much from the experience as the people they are helping.

To strengthen the support we give our volunteers a programme was implemented to examine all aspects of the framework of support for volunteers in WRVS. As a result of this, we have

- Revised the Volunteer Agreement
- Created a new Code of Conduct
- Issued good practice guidance on Volunteer Problem Solving and Supervision
- Created a comprehensive Volunteer Recruitment handbook
- Opened an online training facility with access to any volunteer, with customised modules on level 1 Health and Safety and Food Hygiene
- Trained 115 local service managers through our in-house management training programme
- 276 Volunteers completed level 2 or 3 courses in Health and Safety or Food Hygiene
- During 2010-11 we recruited 230 new young volunteers against a target of 162 to complete a three-year V-funded project which exceeded expectations and attracted over 1800 young volunteers in all

The arrangements for engagement of volunteers in the governance and management of the charity were updated. Two Trustees with particular interest and expertise in volunteering were appointed and each of our ten regions have appointed at least one “volunteer partner” from among their volunteers to participate in our “volunteer voice” initiative to ensure effective two way communication for volunteers through both regional and national management. These arrangements replaced the ‘Vice Chairman’s Committee’ system.

Objective 4 – to work in partnership

Government has chosen partnership working as a key means through which much of its policy programme is to be delivered. WRVS has embraced this mode of working and has successfully participated in a number of partnerships during the last year. Of note are the following partnerships

- WRVS was a founding member in signing up to the DoH National Dementia Declaration and as a consequence working with 44 other organisations to support 'dementia awareness' We are working with the Alzheimer Society in writing, producing & distributing leaflets WRVS are signposting service users to the Alzheimer Society from our hospital & community services
- WRVS was a founding member in partnership with Age UK & Apetito to set up the Malnutrition Commission to address malnutrition of the elderly in the community
- Independent Living for Older People (ILOP) partnership with Middlesbrough Council, Age Concern, Salvation Army & WRVS The project was set up to provide low-level preventative support to enable older people to live active lives and gain confidence in their local communities Services will be provided where there is a need to reduce social isolation and combat age discrimination
- WRVS is distributing information leaflets specifically targeted at older people through hospital sites working with NHS Direct
- Work in Scotland with SpecSavers to give volunteers the basic skills for detecting eye conditions and highlighting SpecSavers Eyecare At Home Scheme

Objective 5 – to enhance organisational capacity

During the course of this year the organisation has taken a number of steps to ensure that the charity is prepared for a future where many more older people need our services

In March 2011 Trustees signed off an operating plan through to 2015 which encompassed a roll out plan for our new integrated modes of working in the community and linking this work through to the work we undertake in hospitals An integral component of this plan was a commitment to investment in new IT systems and infrastructure to make sure that the organisation can demonstrate that it is delivering outcomes for older people at value for money prices

Linked to the work on the plan was the design of a balanced scorecard which shows managers in the organisation at a glance how we are doing in delivering outcomes for customers, delivering financial



results, developing our volunteer and staff workforce and improving our business processes. This scorecard will be cascaded to all managers in the organisation in 2011-12.

During the year we have invested £1.3m (out of a planned £1.7m total spend) in a new electronic till system which is currently being implemented in all of our major retail sites in hospitals. This will give us the control and information to ensure that we are as efficient as possible. We also invested £0.6m (out of a planned total of £1.0m) in state of the art coffee machines for our hospital cafes. By replacing outdated machinery and renegotiating supplier contracts we expect to save £0.3m per annum which will be utilised to increase gifting to hospitals and deliver our charitable mission.

During the year we developed a case for investing in a new administration system using market leaders Coldharbour Systems software to manage the care services we provide in the community. We have now committed to a pilot of the software in five of our new hubs and expect to have the software up and running in the autumn of 2011.

During the year we continued along our strategy of growing our fundraising capacity. Gross fundraising income grew by 36% but as a result of a late start in the individual giving campaign and lower than targeted regular donor numbers we failed to achieve our net income target in 2010-11.

Looking Ahead to 2011-12

WRVS Strategic Objectives 2011-12

In 2007 we set four guiding principles to keep our strategy focused on what we do best and what we can achieve in the next five to ten years

- We should concentrate on the kind of practical, volunteer-powered support which enables older people to maintain their dignity and independence
- Our services should derive value from being part of a national organisation
- We should focus on ways in which we can achieve optimum outcomes
- We need to have a financially sustainable model

Our objectives for 2011-12 are.

- Increase service users and service user interactions by 6%
- Establish a further 25 WRVS hubs building upon the experience and learning from the first 4 WRVS hubs
- Establish 10 WRVS hubs for the Hospital and Health strategy with ward based volunteer-led services
- Improve semi-prompted brand awareness to 2 5%
- Deliver a financial result no worse than £1 6m deficit before the cost of transition

Financial Review

Our key achievements in 2010-11, as defined at the start of this report, reflect our mission of delivering practical support through the power of volunteering so older people can get more out of life

Financial results

Our income of £79.1m came from five sources.

- £51.4m from services provided by shops and cafés within hospitals throughout the country
- £14.3m from food contracts with local authorities providing Meals on Wheels services
- £8.5m directly from people who use our services in the community, from the Ministry of Defence and from commissioners of emergency services work
- £1.5m from investment & property income
- £3.4m from fundraising

Our expenditure of £83.1m comprised

- £31.0m on purchasing stock and meals for our shops and cafés
- £25.5m in providing care services in the community (£15.3m on Meals on Wheels, £7.2m on community services, £0.1m on emergency services and £2.9m on services welfare)
- £15.1m on carrying out our work in hospitals
- £5.7m gifted to hospitals to meet the needs of patients, carers, staff and visitors
- £4.7m on governance, investment and fundraising costs
- £1.1m on transition costs resulting from the strategic development plans

During the year to 31 March 2011 the total funds of WRVS Group decreased by £3.0m to £51.1m. Of this, £1.1m was spent on year two of a three year transformation programme as part of our in depth strategic review of activities and £1.4m was gifted to hospitals from prior year reserves. During 2010-11 the focus was on rebranding services to ensure consistency and brand promotion, realigning our support processes in line with the regional and community hub structure requirements and developing an IT solution for management of services in the community.

Hospital services

In 2010-11, our hospital services generated £51.4m revenue, 6% less than the previous year (2009-10 £54.6m). 2010-11 income was £2m lower as a result of the closure of seven Hospital retail units which were not economically viable. The remainder of the reduction in this income was explained by a combination of building works within hospital sites and a general downturn in trading activity.

Although there has been a reduction in supplier rebates as a direct result of lost income, our operations support team has continued to rationalise the number of suppliers and renegotiate contracts to ensure the best outcome for the charity. Total rebate income for 2010-11 is £1.3m (2009-10 £1.5m).

During 2010-11 the developments within retail have included completion of the rebranding project to ensure consistency of the brand image and WRVS has been working to introduce a new electronic point of sale solution.

We increased gifting to hospitals to £5.7m (2009-10 £3.6m) as planned and 151 hospitals and community projects received gifts during the year and in two cases we gave over £250k. Within reserves, £13.4m remain designated for future gifting and refurbishment (2009-10 £14.3m).

Food services

Food services income was lower than the previous year at £14.3m (2009-10 £16.2m) as three major contracts expired during the year. Other factors contributing to the reduced income were a fall in meal numbers and lower unit prices.

Costs of operating the services were £15.3m (2009-10: £17.4m). The allocation of overhead costs increased to £2.5m (2009-10: £1.7m) as a result of an update in overhead allocation policy in line with the regional structure now in place.

Community services

Income from community services increased to £5.2m (2009-10: £4.5m) while expenditure to support our mission reduced to £7.2m including the full recovery of central overhead (2009-10: £7.4m). During the year we started 17 new services including good neighbours schemes, social centres and several lunch clubs, while extending the contract to assist older people with the digital switchover programme across five regions. WRVS continued to deliver increased services while reducing operating costs.

Of the income generated by our community services, 26% came from good neighbours, 25% from community centres, 19% from community transport, 19% from lunch and social clubs and 11% from other services.

All key community services were retained and we have maintained our investment in community, social and information centres which reach an increasing number of people who use our services. We continued to develop our offering so that older people will find it easier to access our full range of services through a single point of contact.

Emergency services

WRVS has maintained most key contracts with local authorities and utility companies, earning £0.23m (2009-10: £0.28m). The year on year reduction in income resulted from a lower level of emergency responses, reduced retainer income from loss of 10 contracts and less training events. The cost of operating the service remained broadly the same at £0.03m (2009-10: £0.03m). WRVS continues to develop and deliver rest centre management training courses to new clients giving rise to new opportunities.

Services welfare

Services welfare revenue increased by 11% to £3.1m reflecting increased funding to support increases in pensions costs. The revenue is set to equal direct costs incurred in providing the services before allocated support costs. WRVS receives a management fee for running the service.

Support costs

A range of centrally provided services exist to support the 2,169 employees, 38,184 volunteers and 1,459 services. Although like-for-like support costs are comparable, additional costs were incurred relating to the strategic restructuring of the organisation

Central support costs were lower at £8.1m (2009-10 £9.2m). This included the costs of £1.1m (2009-10 £1.5m) in year two of a three year transition programme, to support the strategic review, including research and work completed on WRVS' Social Return on Investment. Support costs have been controlled whilst increasing the central support capacity for retaining and recruiting volunteers and changing the way in which we communicate with them. Planned project work with our IT function has not been carried out due to the concentration of effort on the new EPOS system, resulting in savings of £0.1m. Our marketing costs have been reduced during the year as we plan our activities in line with operational requirements.

Investments

Investment income reduced to £0.7m (2009-10 £0.8m) and is a result of both lower bank interest and dividends on equity investments being received. The investment policy ensures risk is shared by several institutions as approved by the Finance and Investment Committee.

Fundraising strategy

2010-11 was the second year in the five-year national fundraising strategy, whereby we aim to provide a substantial, long term, voluntary income stream focused on the delivery of WRVS' charitable mission. Gross income rose to £3.4m (2009-10 £2.5m) while fundraising costs were £4.1m, including allocation of central overheads and fundraising staff (2009-10 £3.2m). The direct costs include the continued investment in donor acquisition as part of the long term plan and the activities involved are outsourced to make use of external expertise and knowledge.

- **Individual donations**

Gross income from individual donations, prize draws and events increased to £2.5m (2009-10 £1.6m). Income from door to door fundraising increased to £1.5m (2009-10 £0.9m) and the



number of donors increased to 102,207 Gross raffle and prize draw income was £1.0m (2009-10 £0.75m) due to additional campaigns in the year

- **Legacies**

The legacy income increased to £0.2m (2009-10 £0.1m) as increased focus and resource has been allocated during 2010-11 Restricted legacy funds within reserves are also being utilised in line with the regional development requirements Two donations represented 56% of the total income

- **Trusts and lotteries**

Total income was higher than last year at £0.3m (2009-10 £0.2m) The trust funding from Heritage Plus ceased in October 2010 while a new initiative called Shaping Our Age started during 2010-11

- **Gift Aid and Other income**

Total Gift Aid and Other income was similar to prior year at £0.3m (2009-10 £0.3m) Gift aid accounted for 80% (2009-10: 53%) and has increased in line with the individual giving donation income.

Our funds' position

Total funds stand at £51.1m (2009-10 £54.1m) Of this, £2.2m is restricted for specific purposes while £48.9m is unrestricted During the year a transfer of funds to general reserves was carried out where the restrictions had been satisfied

Within unrestricted funds Trustees have designated £32.9m of the funds for particular purposes. Of this, £13.4m has been set aside for future hospital gifting As part of our strategic review, we are developing plans for gifting these funds, with a view to having made significant levels of gifting within two years A further £1.6m of unrestricted funds has been allocated to meet the final phases of the transformation programme to achieve the new WRVS strategy within three years The balance of designated funds is made up of funds invested in fixed assets (£6.5m) and designated for developing community services (£3.4m), improving IT infrastructure (£2.0m), financing vehicles for service delivery (£1.1m), local community services bank accounts (£1.1m), increasing our fundraising capacity (£3.1m), investment in retail equipment (£0.4m), and the enhancement of community centres (£0.1m) and investment properties (£0.2m)



The overall objective is a managed reduction in both designated and restricted funds by applying them to specific mission purposes as outlined by the Trustees. We actively encourage investment proposals from our network of hospitals and community services.

The remaining £16.0m general reserves (2009-10 £25.5m) represents funds available to WRVS for running the organisation, continuing current activities, expanding and developing local services and supporting our volunteers.

Results for the year ended 31 March 2011 are shown in the Statement of Financial Activities on page 30. Our assets and liabilities as at 31 March 2011 are shown in the Balance Sheet on page 32. These statements should be read together with the notes to the accounts, which appear on pages 35 to 61 and have been prepared in accordance with relevant law and SORP 2005.

Future outlook and reserves policy

Our general funds at £16.0m (2009-10 £25.5m) have decreased as a combined result of the transfer of designated funds where the restriction was satisfied; the expected results during the year, designation of future commitments and the unrealised gain on investments. Our five year business plan takes us on a journey where we will change to create integrated services within localities, with services delivered to meet the needs of individual older people, including those involved within hospitals. Volunteers will continue to play a vital part in our services and the way in which they are delivered to the service user. The plan includes new initiatives such as the health and hospitals strategy. We plan to create a new integrated organisation structure which will have the effect of pulling together all of the services in a particular area within a single management arrangement – the WRVS hub – with a consistent standard of management practice throughout.

The Trustees have further considered the appropriateness of the established reserves policy. In the light of continued uncertainties in fundraising, hospital and food markets, the social care agenda and the major transformation programme currently being undertaken, we continue to believe it is prudent to retain the policy of setting a minimum level of reserves of £15.0m, which represents approximately three months of operating costs of the charity (excluding the cost of sales of our retail units). Trustees will review this again during 2011-12 as progress in delivering the agreed new strategy is reviewed.

Approach to investments

At March 2011, our equities and securities were valued at £13.4m (2009-10: £15.4m) managed by our investment managers BlackRock, Sarasin Chiswell and CCLA. At the end of the year these investments showed realised gains of £0.7m (2009-10: £3.0m realised gain). Improvements in global stock markets increased the value of our investments compared to the previous year. We had £29.2m cash invested at the year-end (2009-10: £30.0m) and the investment of £0.1m in land remains.

The finance and investment committee, a sub-committee of Trustees, keeps under review the medium to long term cash requirements of WRVS, together with our reserves policy. The short term cash investments are spread across major UK banks and are managed in line with the investment policy.

Our investment managers have the discretion to invest our portfolio within agreed risk profiles and their performance is judged against appropriate benchmarks. Trustees recognise that investments should be viewed over the long term and so believe these benchmarks to be better indicators of performance than year-on-year comparisons.

Regular meetings are held with both investment managers to review performance and to advise Trustees on each manager's current analysis of the marketplace.

Sarasin Chiswell manages 32% of the portfolio and has a benchmark that is a weighted average of UK government bonds, MSCI World Net Total return and one month LIBOR (actual performance 2.8%, benchmark 4.4%).



BlackRock manages three separate portfolios on our behalf

- 15% of the portfolio covering restricted legacies and managed for capital growth
- 21.7% of the portfolio to produce a return in line with LIBOR less 10%, whilst seeking to achieve long-term capital growth benchmarked against a weighted average of FTSE All-Share, FTSE Government All Stocks and seven day LIBID. (Actual 4.6% benchmark 3.3%)
- 30.6% of the overall portfolio, to maximise long-term total return benchmarked against the WM (independent performance monitoring organisation) unconstrained (excluding property) fund (Actual 8.6% benchmark 8.1%)

CCLA Investment Management Ltd manages 0.6% of the portfolio. These funds are specific restricted legacies managed for capital growth.

During the year £2.6m of cash held with our investment managers was transferred to current asset investments in order to obtain a higher rate of interest.

Report of the Trustees

The financial review of 2010-11 is outlined on pages 11-18

Activities, achievements and future plans

Key achievements in 2010-11 against our five key objectives are set out on pages 4-9 and plans for our future are on page 10

WRVS Group and subsidiary undertakings

WRVS is constituted as a company limited by guarantee and, as such, in the event of the company being wound up, each company member is required to contribute an amount not exceeding £1. The company is registered in England and Wales, number 2520413 in accordance with the Companies Act 2006. It is also a registered charity in England and Wales, number 1015988 and a registered charity in Scotland, number SC038924.

The charity's principal subsidiary undertakings at March 2011 are set out in note ten of the accounts. Subsidiaries were all wholly owned companies registered in England and Wales. Income from trading subsidiaries has been included within charitable income within the accounts.

Actions to make WRVS Enterprises dormant have been concluded during 2010-11. Actions to wind up WRVS Office Premises Limited are continuing and will be concluded in 2011-12 when the remaining assets are donated to WRVS.

Trustee responsibilities

WRVS is governed by a Memorandum and Articles of Association that was last updated on 30 March 2011. This sets out that the Board of Trustees shall be not less than six and not more than twelve, including the Chairman and Deputy Chairman, all of whom must be company members. Each trustee may be elected for a maximum of two three-year terms of office. The Trustees are directors of the charity for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 1993, and those who have served during the year are set out on page 28.

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Trustees are responsible for WRVS policy and strategic direction and are advised by the chief executive, to whom responsibility for the day-to-day operation of the charity has been delegated

The Trustees confirm they have complied with the duty in section four of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. Further, when reviewing WRVS aims and objectives and in planning future activities they refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set

WRVS is committed to best practice in corporate governance and constantly reviews governance processes. The Board of Trustees exists to safeguard and promote the vision and purpose of WRVS, determine strategy and structure and ensure that it operates effectively and responsibly

The Board meets six times a year with four additional sub-committee meetings as required within the corporate governance framework. Each sub-committee exists to consider certain aspects of the charity in more detail and is chaired by a Trustee, has terms of reference and reports to the Board of Trustees

The Nominations Committee meets at least once a year to review the structure, size and composition (including the skills, knowledge and experience) required of the Board of Trustees and reports on succession planning for Trustees and executive directors. In recruiting new Trustees, the Nominations Committee is responsible for recommending new Trustees for appointment by the Board of Trustees.

The Remuneration Committee meets at least once a year to review the performance and remuneration of executive directors

The Audit and Risk Committee meets four times a year to consider reports from both external and internal auditors regarding the internal control systems and risk management processes and the annual financial statements

The Finance and Investment Committee meets at least three times a year to consider and make recommendations on all long term strategic business plans, financial budgets, forecasts and policies, including investment strategy, to monitor the organisation's performance to budgets and forecasts, to consider and monitor all capital and community development projects, to oversee the performance of the investment portfolio and the application of restricted legacy funds

The Board of Trustees appoints all new Trustees and looks to ensure that skills and experience on the Board continue to be relevant. A Trustee induction programme is in place and each new Trustee is offered the opportunity to visit services and meet with senior management within WRVS at an early stage of their Trusteeship. Ongoing training is provided as required to Trustees to ensure that they remain aware of changes to the legal and regulatory framework affecting the organisation and their roles and responsibilities within it. WRVS has also purchased trustee indemnity insurance, as outlined in note 7 of the financial report.

Changes in Trustees and Executive Directors

During the year, Valerie Everitt MBE, Alison Mitchell and Valerie Seddon stood down as trustees at the end of their term of office and Sir Garry Hawkes resigned as a trustee to focus on his other commitments. Also, we said farewell to executive directors Simon Branscomb and Robert Longley-Cook and our interim Finance Director Hugh Roberts. We would like to take this opportunity to thank all of them for their immense contribution to WRVS.

Also during the year, Lynne Berry OBE announced her intention to resign as Chief Executive. Lynne has been instrumental in delivering the first stage of the transformation of WRVS. As we move into the second 5 year implementation phase she has decided that it is the right time to hand on the baton to others to implement the strategy. We are grateful to her for all her drive and dedication in the creation of the vision.

Our new Chief Executive, David McCullough will join us in the Autumn of 2011. David is currently Deputy Chief Executive and Trading Director of Oxfam GB, with responsibility for 23,000 volunteers and 1,000 staff working in over 700 shops. He has been with Oxfam since 2006.

David's professional background was originally in retailing, working in organisations such as Principles, Next, Saxone (Retail Director) and Miss Selfridge (Retail Operations Director). He also has a strong background in delivery of change management – he was Change Director of Sears plc, HR & Strategy Director in Creation Financial Services (a UK store card company) where he progressed to Operations and Marketing Director, 1996 – 98. He was Managing Director of Equifax Card Solutions from 1998 to 2001, and of TPN (The People Network) – a change management company providing B2B outsourcing for retail and financial services 2001 – 2006. David's experience equips him well to lead our ambitious plans for WRVS – particularly in the areas of culture change, expansion and volunteer-led service. I am very excited that we were able to attract him to WRVS.



David is also a Board member of the Fairtrade Foundation

Employees and volunteers

WRVS encourages the involvement of staff in its management through regular meetings of a senior management group which has responsibility for disseminating information of particular concern to staff and volunteers and for receiving their views on important matters of policy

WRVS actively encourages applications for employment from disabled people. Every effort is made to ensure they are given full and fair consideration when vacancies arise. WRVS makes adjustments where practical to enable such employment and also to allow a member of staff to continue in employment should they become disabled.

WRVS actively encourages disabled persons to become volunteers, working in partnership with disability organisations and making adjustments for people with long term conditions.

Internal controls

The Trustees have overall responsibility for the system of internal control for the charity and its subsidiaries. However, such a system can provide only reasonable and not absolute assurance against errors and fraud.

WRVS undertakes an annual planning and budgeting process which is approved by the Board of Trustees after review by the finance and investment committee. Actual performance against budget is monitored on a monthly basis by the executive team and the Trustees are regularly informed of progress. Strategic projects are monitored through the appropriate sub-committee and the Board of Trustees.

In 2010-11 we have continued to embed a risk management culture throughout the organisation with risk identification and evaluation continuing to be an integral part of the annual budgeting and five year business planning exercise. We have implemented disaster recovery and business continuity plans incorporating specific threat plans for our business-critical operations.

At least once a year the Trustees consider the main risks facing WRVS and the risk appetite of the organisation which is used by internal audit to develop its risk mitigation plan. Trustees review the



key internal controls, systems and procedures that are implemented in order to deliver the risk mitigation plan

The Trustees consider the principal risks to be.

- Failure to develop or deliver a sustainable strategy in the context of adapting to changes in the health and social care policy in England, Scotland and Wales
- Financial risks associated with income streams and the current economic conditions with regard to fundraising, local government and trust funding
- Risks to the recruitment of sufficient volunteers
- Risks to the implementation of our service delivery strategy
- Risks to our management systems for health and safety and food safety
- Risks to reputation through the behaviour of our people or business partners
- Risks to the internal control environment in a complex organisation operating across multiple sites

Internal audit continues to work with management to embed a risk management culture by using control and risk self assessment to manage the working environment effectively Internal audit monitors and tests the controls to give due assurance to the executive and Board of Trustees

Our auditor

A resolution to re-appoint Baker Tilly UK Audit LLP as auditor will be put at the Annual General Meeting



Disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed he/she has taken all the steps he/she ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish it has been communicated to the auditor.

On behalf of the Board of Trustees

Ruth Markland

Chairman of the Board of Trustees

9 September 2011

Independent Auditor's Report to the Trustees and Members of WRVS

We have audited the group and parent charitable company's financial statements of WRVS ("the financial statements") for the year ended 31 March 2011 on pages 30 to 61. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on pages 19 to 22, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011, and of the group's and the parent charitable company's incoming



- resources and application of resources, including their income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
 - have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the parent charity has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK audit LLP

HEATHER WHEELHOUSE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Hartwell House

55 – 61 Victoria Street

Bristol, BS1 6AD

Date *9 November 2011*

BAKER TILLY UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Our Governance and administration

Patron

Her Majesty The Queen

Chairman

Ruth Markland

Other Trustees

Peter Askew^{N, R}

Valerie Everitt^{FI} (retired 30th November 2010)

Ruth Gadsden (appointed 21st May 2010)

Sir Garry Hawkes^{FI, N, R} (resigned 22nd November 2010)

Trevor Jones^{AR}

Derek Lewis^{AR, FI}

Alison Mitchell^{N, R} (retired 30th November 2010)

Roger Paffard^{FI, N, R}

Christine Paley^{AR, FI}

Valerie Seddon^{N, R} (retired 30th November 2010)

Sylvia Fox (appointed 1st December 2010)

Liz Burnley (appointed 1st January 2011)

Committee members

AR Audit and risk committee - Chairman Trevor Jones

FI Finance and investment committee - Chairman Derek Lewis

N Nominations committee – Chairman Ruth Markland

R Remunerations committee – Chairman Ruth Markland

Chief Executive

Lynne Berry OBE (resigned 9th September 2011)

Executive Directors

Angela Geer – Older People's Services

Verity Haines – Director of Fundraising and Engagement (appointed 7th June 2011)

Robert Longley-Cook – Marketing, Fundraising and Communications (resigned 12th November 2010)

Alastair McDougall – People

Maria Shepperd – Interim Finance Director (1st April 2010 – 30th June 2010)

Darren Xiberras – Corporate Services Director (appointed May 2nd 2010)

Auditor

Baker Tilly UK Audit LLP, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6AD

**Bankers**

HSBC Bank plc, 90 Baker Street, London W1M 2AX

The Royal Bank of Scotland plc, 36 St Andrew's Square, Edinburgh, EH2 2YB

Barclays Commercial Bank, Reading Service Centre, 4th Floor, Apex Plaza, Forbury Road, Reading RG1 1AX

Solicitors

Taylor Vinters, Merlin Place, Milton Road, Cambridge CB4 0DP

Charles, Lucas and Marshall, 48 Newbury Street, Wantage OX12 8DF

Registered office

WRVS Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff CF23 8RP

Registered company 02520413

Registered charity 1015988 & SC038924

**Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account)
for the year ended 31 March 2011**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	2	1,662	405	2,067	1,679
- Activities for generating funds	2	1,304	1	1,305	792
- Investment income	4	721	1	722	798
Incoming resources from charitable activities					
- Hospital services		51,394	-	51,394	54,595
- Food services		13,959	322	14,281	16,176
- Community services		5,054	165	5,219	4,532
- Emergency services		236	-	236	280
- Services welfare		-	3,097	3,097	2,785
- Property		524	-	524	292
Other incoming resources					
- Net gain on the disposal of tangible fixed assets		262	-	262	31
Total incoming resources		75,116	3,991	79,107	81,960
Resources expended					
Cost of generating funds					
- Costs of generating voluntary income		2,452	-	2,452	2,487
- Costs of activities for generating funds		1,389	-	1,389	672
- Investment management costs		67	-	67	69
Cost of charitable activities					
- Hospital services		51,745	17	51,762	48,947
- Food services		14,933	352	15,285	17,362
- Community services		6,734	432	7,166	7,389
- Emergency services		119	1	120	1,107
- Services welfare		-	2,883	2,883	3,168
Governance costs		760	-	760	458
Transition costs		1,144	-	1,144	1,460
Other resources expended					
- Grants		30	-	30	-
- Net loss on the disposal of tangible fixed assets		-	-	-	185
Total resources expended	5	79,373	3,685	83,058	83,304
Net outgoing resources before transfers		(4,257)	306	(3,951)	(1,344)
- Transfers between funds		3,206	(3,206)	-	-
Net outgoing resources before other recognised gains and losses		(1,051)	(2,900)	(3,951)	(1,344)
Other recognised gains and losses					
- Net gains on investments	10	665	-	665	3,012
- Other revaluation gains	9	147	-	147	-
- Actuarial gains on defined benefit pension scheme	18	133	217	350	952
- MOD Funding for defined benefit pension scheme		-	(217)	(217)	(952)
Net movement in funds		(106)	(2,900)	(3,006)	1,668
Total fund balances brought forward at 1 April		49,032	5,120	54,152	52,484
Total fund balances carried forward at 31 March		48,926	2,220	51,146	54,152

All the above results derive from continuing activities and there were no gains or losses other than those shown above

For the purposes of the Companies Act 2006 the shortfall for the charitable group for the year was £3,951k (2009 10 £1,344k shortfall)

There is no difference between gross income and the amounts shown as total incoming resources in this or previous years

The accompanying notes on pages 35 - 61 are an integral part of these financial statements

There is no material differences between the historic cost result and the results reported and so a separate note of historic cost surplus and deficit has not been presented

Charity Statement of Financial Activities (Incorporating the Income and Expenditure Account) for the year ended 31 March 2011

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	2	1,661	399	2,060	1,675
- Activities for generating funds	2	1,304	1	1,305	792
- Investment income	4	3,670	-	3,670	1,894
Incoming resources from charitable activities					
- Hospital services		51,394	-	51,394	54,595
- Food services		1,681	322	2,003	2,660
- Community services		5,054	165	5,219	4,532
- Emergency services		236	-	236	280
- Services Welfare		216	-	216	-
- Property		471	-	471	344
Other incoming resources					
- Net gain on the disposal of tangible fixed assets		220	-	220	31
Total incoming resources		65,907	887	66,794	66,803
Resources expended					
Cost of generating funds					
- Costs of generating voluntary income		2,453	-	2,453	2,494
- Costs of activities for generating funds		1,389	-	1,389	672
- Investment management costs		67	-	67	69
Cost of charitable activities					
- Hospital services		51,655	17	51,672	48,946
- Food services		4,207	352	4,559	4,526
- Community services		6,693	432	7,125	7,367
- Emergency services		118	1	119	1,107
- Services welfare		-	-	-	381
Governance costs		612	-	612	458
Transition costs		1,144	-	1,144	1,460
Other resources expended					
- Grants		30	-	30	-
- Net loss on the disposal of tangible fixed assets		-	-	-	182
Total resources expended	5	68,368	802	69,170	67,662
Net outgoing resources before transfers		(2,461)	85	(2,376)	(859)
- Transfers between funds		3,352	(3,352)	-	-
Net outgoing resources before other recognised gains and losses		891	(3,267)	(2,376)	(859)
Other recognised gains and losses					
- Net gains on investments	10	665	-	665	3,012
- Actuarial gains on defined benefit pension scheme	18	127	-	127	-
- Other revaluation gains	9	23	-	23	-
Net movement in funds		1,706	(3,267)	(1,561)	2,153
Total fund balances brought forward at 1 April		43,385	4,913	48,298	46,145
Total fund balances carried forward at 31 March		45,091	1,646	46,737	48,298

All the above results derive from continuing activities and there were no gains or losses other than those shown above

For the purposes of the Companies Act 2006 the shortfall for the charitable company for the year was £2,376k (2009-10 £859k shortfall)

There is no difference between gross income and the amounts shown as total incoming resources in this or previous years

The accompanying notes on pages 35 - 61 are an integral part of these financial statements

There is no material differences between the historic cost result and the results reported and so a separate note of historic cost surplus and deficit has not been presented

**Balance sheets
as at 31 March 2011**

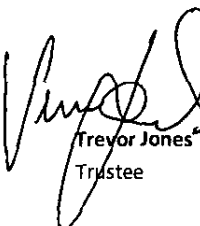
	Notes	2011		2010	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible fixed assets	9	7,388	5,323	6,253	4,131
Investments	10a	13,386	13,386	15,360	15,360
		20,774	18,709	21,613	19,491
Current assets					
Stock		1,275	1,212	1,259	1,157
Debtors	11	3,767	2,188	4,281	2,339
Investments	10b	29,240	29,240	30,012	30,012
Cash at bank and in hand		6,824	4,968	6,514	4,720
		41,106	37,608	42,066	38,228
Creditors Amounts falling due within one year	12a	(10,624)	(9,470)	(9,527)	(9,421)
Net current assets		30,482	28,138	32,539	28,807
Total assets less current liabilities		51,256	46,847	54,152	48,298
Provisions for liabilities	12b	-	-	-	-
Defined benefit pension scheme asset/(liability)	18	1,383	(110)	758	-
MOD (liability)/asset for defined benefit pension scheme		(1,493)	-	(758)	-
Net assets including pension scheme asset/(liability)	14	51,146	46,737	54,152	48,298
Funds					
Restricted funds	13	2,220	1,646	5,120	4,913
Unrestricted funds					
- designated funds*	13	32,917	30,027	23,490	21,368
- general funds	13	16,009	15,064	25,542	22,017
Total funds		51,146	46,737	54,152	48,298

* Group designated funds include a revaluation reserve of £1,687k (£242k on office properties and £1,445k on investments) (2009-10 £695k)
Charity designated funds include a revaluation reserve of £1,563k (£118k on office properties and £1,445k on investments) (2009-10 £695k)

The accompanying notes on pages 35 - 61 are an integral part of these financial statements

The financial statements on pages 35 - 61 were approved and authorised for issue by the Board of Trustees on 9 September 2011 and were signed on its behalf by


Ruth Markland
Chairman


Trevor Jones
Trustee

**Consolidated cash flow statement
for the year ended 31 March 2011**

	Notes	2011 £'000	2010 £'000
Net cash outflow from operating activities	(a)	(2,864)	(1,845)
Returns on investments and servicing of finance			
Interest received		722	798
Net cash inflow from returns on investments and servicing of finance		722	798
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2,019)	(198)
Receipts from the disposal of tangible fixed assets		346	48
Payments to acquire fixed asset investments		(16)	-
Receipts from the disposal of fixed asset investments		2,750	4,026
Net cash inflow from capital expenditure and financial investment		1,061	3,876
Management of liquid resources			
Decrease/(increase) in money market deposits		772	384
Net cash inflow from management of liquid resources		772	384
(Decrease)/increase in cash in the year	(b)	(309)	3,213
Reconciliation to net funds			
Net funds at 1 April		36,504	33,675
Cash outflows in respect of liquid resources		(772)	(384)
(Decrease)/increase in cash in the year		(309)	3,213
Net funds at 31 March		35,423	36,504

Notes to the cash flow statement

a) Reconciliation of net outgoing resources to net cash outflow from operating activities		2011 £'000	2010 £'000
Net outgoing resources before other recognised gains and losses		(3,951)	(1,344)
Depreciation		785	557
Net (gain)/loss on disposal of tangible fixed assets		(262)	154
(Increase)/decrease in stock		(16)	140
Decrease in debtors		514	422
Increase/(decrease) in creditors		478	(545)
Movement in MOD (liability)/asset		518	180
Decrease in provision for liabilities		-	(500)
Interest received		(722)	(798)
FRS17 pension contributions to defined benefit scheme		(530)	(227)
FRS17 charges and interest on defined benefit scheme		255	47
Other non cash changes – investment management costs		67	69
Net cash outflow from operating activities		(2,864)	(1,845)
b) Analysis of increase in net funds			
	At 1 April £'000	Cash £'000	At 31 March £'000
Cash at bank and in hand	6,514	310	6,824
Bank overdrafts	(22)	(619)	(641)
	6,492	(309)	6,183
Current asset investments	30,012	(772)	29,240
Net funds	36,504	(1,081)	35,423

**Charity cash flow statement
for the year ended 31 March 2011**

	Notes	2011 £'000	2010 £'000
Net cash outflow from operating activities	(a)	(3,820)	(2,643)
Returns on investments and servicing of finance			
Interest received		704	779
Donations received from subsidiaries under gift aid		767	1,115
Cash at bank donated with WRVS Office Premises Limited net current assets		228	-
Net cash inflow from returns on investments and servicing of finance		1,699	1,894
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2,002)	(113)
Receipts from the disposal of tangible fixed assets		246	47
Payments to acquire fixed asset investments		(16)	-
Receipts from the disposal of fixed asset investments		2,750	4,026
Net cash inflow from capital expenditure and financial investment		978	3,960
Management of liquid resources			
Increase/(decrease) in money market deposits		772	(1,838)
Net cash outflow from management of liquid resources		772	(1,838)
(Decrease)/increase in cash in the year	(b)	(371)	1,373
Reconciliation to net funds			
Net funds at 1 April		34,710	31,499
Cash (outflows)/inflows in respect of liquid resources		(772)	1,838
(Decrease)/increase in cash in the year		(371)	1,373
Net funds at 31 March		33,567	34,710

Notes to the cash flow statement

a) Reconciliation of net outgoing resources to net cash outflow from operating activities		2011 £'000	2010 £'000
Net outgoing resources before other recognised gains and losses		(2,376)	(825)
Depreciation		646	440
Net (gain)/loss on disposal of tangible fixed assets		(220)	151
(Increase)/decrease in stock		(55)	145
Decrease in debtors		2,149	957
Decrease in creditors		(598)	(1,220)
FRS17 pension contributions to defined benefit scheme		(12)	-
FRS17 charges and interest on defined benefit scheme		249	-
Decrease in provision for liabilities		-	(500)
Interest received		(704)	(779)
Donations received from subsidiaries under gift aid		(767)	(1,115)
Donation of WRVS Office Premises Limited net current assets		(2,199)	-
Other non cash changes – investment management costs		67	69
Net cash outflow from operating activities		(3,820)	(2,677)
b) Analysis of decrease in net funds			
	At 1 April £'000	Cash £'000	At 31 March £'000
Cash at bank and in hand	4,720	248	4,968
Bank overdrafts	(22)	(619)	(641)
	4,698	(371)	4,327
Current asset investments	30,012	(772)	29,240
Net funds	34,710	(1,143)	33,567

**Notes to the financial statements
for the year ended 31 March 2011**

1 Principal accounting policies**a) Basis of accounting**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, except where stated. The accounts have been prepared under the historical cost convention as modified by the inclusion of certain assets at market value and in accordance with applicable accounting standards and with the statement of recommended practice for accounting and reporting for charities (SORP 2005). All income is accounted for on an accruals basis unless otherwise stated.

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 16).

c) Grants receivable**i) Grant from the Ministry of Defence**

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding received for payroll, operating and capital costs unappropriated at the end of each accounting period is deemed to be repayable. The Ministry of Defence has entered into an agreement to provide the group with sufficient resources to ensure the scheme will be 100% funded on the Minimum Funding Requirement basis (or its successor) by 31 July 2012. Amounts are therefore recognised in the Statement of Financial Activities as MOD funding equal to the actuarial gains or losses in the year.

ii) 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 where applicable. Annual transfers of amounts equivalent to any depreciation charges reduce the restricted funds.

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.

e) Donations received

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

f) Legacies receivable

Legacies are credited to the statement of financial activities once the charity or the group has received them.

g) Expenditure

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.

Grants are given to hospitals and other institutions in line with the charities objects and the amounts included represent the total cost incurred by the charity in the year.

Fundraising costs comprise expenditure incurred by the charity in encouraging others to make contributions to it and apportioned overheads of the fundraising team.

Governance costs include expenditure on compliance with constitutional and statutory requirements.

Notes to the financial statements (continued) for the year ended 31 March 2011

1 Principal accounting policies (continued)

h) Leased assets

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 on a straight line basis

i) Tangible fixed assets

Purchased tangible fixed assets excluding office properties are recorded at cost or carrying value, as at the date of transition to FRS15, when the cost of the expenditure is greater than £1,000

Office Properties and land held for investment are valued every 5 years in accordance with FRS15

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Charity and the cost of the item can be measured reliably

Depreciation is not provided on assets in the course of construction

Depreciation on all other tangible assets is calculated so as to write off the cost, or valuation, of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows

Freehold buildings	2% per annum
Long leaseholds (50 years or more)	2% per annum
Short leaseholds	shorter of 5 years or length of lease
Motor vehicles	25% per annum
Furniture and office equipment	20% per annum
Computer equipment	33 ¹ / ₃ % per annum

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. Donated assets are included within the balance sheet at their current value at the date of the gift and also included within the statement of financial activities as an incoming resource

j) Investments

Investments listed on a recognised stock exchange are included in the balance sheet at their market value at the end of the period. Investments in subsidiary companies are included in the accounts at cost. Investment properties are stated at the Trustees' best estimate of market value. Current asset investments represent cash held on short-term money market deposits to maximise investment returns whilst enabling the charity to meet short-term liabilities. Current asset investments are stated at the lower of cost or net realisable value.

k) Fund accounting

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

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 Trustees.

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

l) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value.

Notes to the financial statements (continued)
for the year ended 31 March 2011
1 Principal accounting policies (continued)
m) Retirement benefits

For defined contribution schemes contributions are charged to the statement of financial activities as incurred

For defined benefit schemes the amount charged to the statement of financial activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and are updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the Trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Financial Activities within other gains and losses and after net (outgoing)/incoming resources

n) Onerous Lease Provisions

All leases are reviewed on an annual basis and a provision is made for all those considered to be onerous

2 Voluntary income & Activities for generating funds

Group	Unrestricted funds £'000	Restricted funds £'000	2011 Total £'000	2010 Total £'000
Voluntary income				
Donations	1,426	70	1,496	1,249
Trusts & lotteries	7	314	321	196
Grants (note 3)	-	-	-	31
Legacies	228	21	249	96
Other	1	-	1	107
Total voluntary income	1,662	405	2,067	1,679
	Unrestricted funds £'000	Restricted funds £'000	2011 Total £'000	2010 Total £'000
Activities for generating funds				
Donations	1,016	1	1,017	601
Fundraising & Events	288	-	288	191
Trusts	-	-	-	-
Total activities for generating funds	1,304	1	1,305	792

Notes to the financial statements (continued)
for the year ended 31 March 2011
2 Voluntary income & Activities for generating funds

Charity	Unrestricted funds £'000	Restricted funds £'000	2011 Total £'000	2010 Total £'000
Voluntary income				
Donations	1,425	64	1,489	1,247
Trusts & lotteries	7	314	321	195
Grants (note 3)	-	-	-	31
Legacies	228	21	249	96
Other	1	-	1	106
Total voluntary income	1,661	399	2,060	1,675

	Unrestricted funds £'000	Restricted funds £'000	2011 Total £'000	2010 Total £'000
Activities for generating funds				
Donations	1,016	1	1,017	601
Fundraising & Events	288	-	288	191
Trusts	-	-	-	-
Total activities for generating funds	1,304	1	1,305	792

3 Grants receivable

Group	2011 Total £'000	2010 Total £'000
Big Lottery Fund	163	31
Heritage Lottery Fund *	165	192
Total grants receivable	328	223

Grants receivable Charity	2011 Total £'000	2010 Total £'000
Big Lottery Fund	163	31
Heritage Lottery Fund *	165	192
Total grants receivable	328	223

* The grants from the Heritage Lottery Fund and the Big Lottery Fund are included in incoming resources from charitable activities within community services and are restricted funds

Notes to the financial statements (continued) for the year ended 31 March 2011

4 Investment income

Group	2011 £'000	2010 £'000
Unit trusts income	329	362
Bank interest	393	436
Total investment income	722	798
Investment income		
Charity	2011 £'000	2010 £'000
Unit trusts income	329	362
Bank interest	375	417
Donations received from subsidiaries under gift aid	767	1,115
Donation of WRVS Office Premises Limited net current assets	2,199	-
Total investment income	3,670	1,894

5 Total resources expended

Group	Grants £'000	Direct costs £'000	Support costs £'000	Total 2011 £'000	Total 2010 £'000
Hospital services	5,692	44,769	1,302	51,762	48,947
Food services	-	12,757	2,528	15,285	17,362
Community services	-	6,035	1,130	7,166	7,389
Emergency services	-	29	91	120	1,107
Services welfare	-	2,883	-	2,883	3,168
Governance	-	-	760	760	458
Fundraising	-	2,731	1,110	3,841	3,159
Investment management costs	-	-	67	67	69
Transition costs	-	-	1,144	1,144	1,460
Grants made	-	30	-	30	-
Disposal of tangible fixed assets	-	-	-	-	185
Total resources expended	5,692	69,234	8,132	83,058	83,304

Included within 'Hospital services' expenditure above are cost of goods sold of £31.0m (2009-10 £34.0m). Grants included above of £5,692k (2009-10 £3,624k) are given to hospitals and other institutions in line with the charities objects and the amounts represent the total cost incurred by the charity in the year. A list of grants made is available upon request from the registered office.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

	2011 £'000	2010 £'000
This expenditure is stated after charging		
Auditor's remuneration in the year		
Fees payable to the charity auditor for the audit of the parent charity and the consolidation	37	37
Fees payable to the charity auditor and its associates for other services		
- The audit of the charity's subsidiaries pursuant to legislation	20	15
- Fees payable for other services – tax services	77	54
Depreciation	785	557
Operating lease rentals		
- land and buildings	2,012	1,965
- other	1,216	1,197

Notes to the financial statements (continued)
for the year ended 31 March 2011
5 Total resources expended (continued)

Charity	Grants £'000	Direct costs £'000	Support costs £'000	Total 2011 £'000	Total 2010 £'000
Hospital services	5,692	44,769	1,211	51,672	48,946
Food services	-	2,025	2,534	4,559	4,526
Community services	-	6,035	1,090	7,125	7,367
Emergency services	-	29	90	119	1,107
Services welfare	-	-	-	-	381
Governance	-	-	612	612	458
Fundraising	-	2,732	1,110	3,842	3,166
Investment management costs	-	-	67	67	69
Transition costs	-	-	1,144	1,144	1,460
Grants made	-	30	-	30	-
Disposal of tangible fixed assets	-	-	-	-	182
Total resources expended	5,692	55,620	7,858	69,170	67,662

Included within 'Hospital services' expenditure above are cost of goods sold of £31.0m (2009-10 £34.0m). Grants included above of £5,692k (2009-10 £3,624k) are given to hospitals and other institutions in line with the charities objects and the amounts represent the total cost incurred by the charity in the year. A list of grants made is available upon request from the registered office.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

	2011 £'000	2010 £'000
This expenditure is stated after charging		
Auditor's remuneration in the year		
Fees payable to the charity auditor for the audit of the parent and the consolidated accounts	37	37
Fees payable to the charity auditor and its associates for other services		
- Fees payable for other services – tax services	77	54
Depreciation	646	440
Operating lease rentals		
- land and buildings	1,582	1,546
- other	611	598

6 Staff costs and Trustees' remuneration
Group

Staff costs during the year were as follows

	2011 £'000	2010 £'000
Wages and salaries	19,624	20,426
Social security costs	1,440	1,468
Other pension costs	615	370
Other staff costs	1,919	2,492
Total staff costs	23,598	24,756

Notes to the financial statements (continued) for the year ended 31 March 2011

6 Staff costs and Trustees' remuneration (continued) Group (continued)

The number of employees who earned £60,000 p a or more (including taxable benefits) during the year was as follows

	Excluding Severance		Including Severance	
	2011	2010	2011	2010
	No	No	No	No
£60,001 - £70,000	11	4	11	7
£70,001 - £80,000	1	1	1	-
£90,001 - £100,000	3	2	3	3
£100,001-£110,000	-	1	-	1
£140,001 - £150,000	1	1	1	1

The total contribution in the year for the provision of money purchase benefits was £117,778 (2009-10 £40,739) in respect of higher paid employees. At the year end there were seventeen higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes

The average number of employees of the group, analysed by function was

	2011	2010
	No	No
Operations	1,875	2,158
Support	294	250
	2,169	2,408
Full time	518	602
Part time	1,651	1,806
	2,169	2,408

No Trustees received any remuneration for any services as Trustees during the year to 31 March 2011. Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows

	2011	2010
	£'000	£'000
Travel expenses	4	5

Staff costs and Trustees' remuneration Charity

Staff costs during the year were as follows

	2011	2010
	£'000	£'000
Wages and salaries	13,407	13,591
Social security costs	1,072	1,077
Other pension costs	458	168
Other staff costs	1,200	1,742
Total staff costs	16,137	16,578

Notes to the financial statements (continued)
for the year ended 31 March 2011
6 Staff costs and Trustees' remuneration (continued)
Charity (continued)

The number of employees who earned £60,000 p a or more (including taxable benefits) during the year was as follows

	Excluding Severance		Including Severance	
	2011	2010	2011	2010
	No	No	No	No
£60,001 - £70,000	10	3	10	6
£70,001 - £80,000	1	1	1	-
£90,001 - £100,000	3	2	3	3
£100,001-£110,000	-	1	-	1
£140,001 - £150,000	1	1	1	1

The total contribution in the year for the provision of money purchase benefits was £112,814 (2009-10 £35,052) in respect of higher paid employees. At the year end there were fifteen higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes

The average number of employees of the charity, analysed by function was

	2011	2010
	No	No
Operations	1,034	1,092
Support	205	218
	1,239	1,310
Full time	384	428
Part time	855	882
	1,239	1,310

No Trustees received any remuneration for any services as Trustees during the year to 31 March 2011. Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows

	2011	2010
	£'000	£'000
Travel expenses	4	5

7 Indemnity insurance

During the year, the group and charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any Trustee and to indemnify any Trustee against the consequence of any wrongful act on their part other than any actual dishonest, fraudulent or malicious act. The total cover provided by such insurance is £5.0m (2009-10 £2.0m) and the total premium paid in respect of such insurance was £9,500 (2009-10 £8,000)

8 Taxation

WRVS is a registered charity and as such is exempt from taxation of its income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year. Subsidiary companies that do not have Crown Exemption from direct taxation have entered into gift aid donations with WRVS under which any taxable profits or surpluses are transferred to the charity each year. The charity and group are not able to reclaim all VAT suffered on expenditure due to the partial exemption rules.

Notes to the financial statements (continued)
for the year ended 31 March 2011
9 Tangible fixed assets

Group	Freehold buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, equipment and furniture £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation						
At 1 April 2010	5,642	723	354	4,569	-	11,288
Additions	-	-	-	746	1,273	2,019
Disposals	(30)	(58)	-	(107)	-	(195)
At 31 March 2011	5,612	665	354	5,208	1,273	13,112
Depreciation						
At 1 April 2010	688	68	349	3,930	-	5,035
Charge for year	491	13	1	280	-	785
Disposals	(5)	(2)	-	(104)	-	(111)
Revaluation	15	-	-	-	-	15
At 31 March 2011	1,189	79	350	4,106	-	5,724
Net book values						
At 31 March 2011	4,423	586	4	1,102	1,273	7,388
At 31 March 2010	4,954	655	5	639	-	6,253

Included in freehold land and buildings and leasehold land and buildings are office properties at a valuation of £2.3m (historic cost of £2.2m). If office properties were held on a historic cost basis, the amounts included after depreciation would be £2.0m (2009-10 £2.0m).

The office properties were valued as at March 2011 on the basis of open market value by Parker Parr, independent chartered surveyors. A loss on revaluation of £15k is included in the Statement of Financial Activities and the revaluation reserve (2010: £nil).

The Trustees have elected to adopt the transitional rules of Financial Reporting Standard 15 and retain the freehold land and buildings (excluding office properties) at its historic valuation and not adopt a policy of revaluation going forward.

An impairment review of freehold buildings (excluding office properties) was undertaken during the year with the properties valued as at March 2011 on the basis of open market value by Parker Parr, independent chartered surveyors. The valuation exercise indicated impairment and as a result an impairment loss is included above as additional depreciation of £384k to recognise this (2010: £nil).

Notes to the financial statements (continued)
for the year ended 31 March 2011
9 Tangible fixed assets (continued)

Charity	Freehold buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, equipment and furniture £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation						
At 1 April 2010	3,957	276	256	3,072	-	7,561
Additions	-	-	-	730	1,272	2,002
Disposals	(30)	-	-	-	-	(30)
At 31 March 2011	3,927	276	256	3,802	1,272	9,533
Depreciation						
At 1 April 2010	561	40	252	2,577	-	3,430
Charge for year	409	6	1	230	-	646
Disposals	(5)	-	-	-	-	(5)
Revaluation	139	-	-	-	-	139
At 31 March 2011	1,104	46	253	2,807	-	4,210
Net book values						
At 31 March 2011	2,823	230	3	994	1,272	5,323
At 31 March 2010	3,396	236	4	495	-	4,131

Included in freehold land and buildings and leasehold land and buildings are office properties at a valuation of £0.8m (historic cost £0.7m). If office properties were held on a historic cost basis, the amounts included after depreciation would be £0.6m (2009-10 £0.6m).

The office properties were valued as at March 2011 on the basis of open market value by Parker Parr, independent chartered surveyors. A loss on revaluation of £139k is included in the Statement of Financial Activities and the revaluation reserve.

The Trustees have elected to adopt the transitional rules of Financial Reporting Standard 15 and retain the freehold land and buildings (excluding office properties) at its historic valuation and not adopt a policy of revaluation going forward.

An impairment review of freehold buildings (excluding office properties) was undertaken during the year with the properties valued as at March 2011 on the basis of open market value by Parker Parr, independent chartered surveyors. The valuation exercise indicated impairment and as a result an impairment loss is included above as additional depreciation of £336k to recognise this (2010: £nil).

Notes to the financial statements (continued)
for the year ended 31 March 2011
10 a) Fixed asset investments

Group and Charity	Land	Securities	2011	2010
	£'000	£'000	£'000	£'000
Market value at 1 April	88	15,040	15,128	16,211
Additions	-	16	16	-
Disposals	-	(2,518)	(2,518)	(4,026)
Management fees	-	(67)	(67)	(69)
Revaluation of land investment	162	-	162	-
Net investment gains	-	665	665	3,012
	250	13,136	13,386	15,128
Cash held by investment managers for reinvestment	-	-	-	232
Market value at 31 March	250	13,136	13,386	15,360
Historic cost	40	11,901	11,941	14,922
Unrealised gain	210	1,235	1,445	438
Market value at 31 March	250	13,136	13,386	15,360

The investment property is land shown at its open market value. Securities held at 31 March 2011 comprised the following

	2011	2010
	£'000	£'000
Units trusts	13,136	12,522
Other Investments	-	2,750
Cash held by investment managers for reinvestment	-	232
Market value at 31 March	13,136	15,040

All listed investments were quoted on a recognised UK stock exchange

Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2009-10 £13). WRVS has 4 wholly owned subsidiary companies. All companies are incorporated in England. A summary of the activities and financial position of the subsidiaries is given in the table below

	Income	Expenditure	Net surplus/ (deficit) before gift aid	Net assets/ (liabilities)
	£'000	£'000	£'000	£'000
WRVS Enterprises Limited	13	(87)	(74)	(88)
General trading activities				
WRVS Food Services Limited	12,286	(10,680)	1,606	2,525
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited	3,457	3,457	-	-
The provision of welfare and support to army service men and women serving on military bases throughout the world				
WRVS Office Premises Limited	171	(2,380)	(2,209)	1,973
The purchase, sale, lease and management of property				

10 b) Current asset investments
Group and Charity

This is cash held on short-term money market deposits to maximise return while enabling WRVS to meet potential short-term liabilities

Notes to the financial statements (continued)
for the year ended 31 March 2011
11 Debtors

	2011		2010	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade debtors	1,604	502	2,207	768
Amounts due from group undertakings*	-	172	-	423
Other debtors	5	5	25	24
Prepayments and accrued income	2,158	1,509	2,049	1,124
	3,767	2,188	4,281	2,339

*The amounts due from group undertakings are trading balances and are therefore unsecured and do not attract interest

12 a) Creditors amounts falling due within one year

	2011		2010	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Bank overdrafts – secured	641	641	22	22
Trade creditors	4,496	3,973	3,958	3,562
Amounts due to group undertakings	-	853	-	2,030
Social security and other taxes	1,078	338	1,224	424
Other creditors	679	485	851	627
Accruals	3,186	2,636	2,959	2,243
Amounts due to hospitals	544	544	513	513
	10,624	9,470	9,527	9,421

The bank overdrafts are secured by debentures over investments in favour of The Royal Bank of Scotland plc

Pension commitments are detailed in Note 18

12 b) Provisions for liabilities
Group and Charity

The provision of £nil (2009-10: £nil) relates to potential payments under onerous hospital leases

	2011	2010
	£'000	£'000
Provisions brought forward at 1 April	-	500
Utilised in respect of onerous hospital leases in the year	-	(240)
Released to Statement of Financial Activities – included within 'Hospital services'	-	(260)
Provisions carried forward at 31 March	-	-

Notes to the financial statements (continued)
for the year ended 31 March 2011
13 Funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes. The transfers represent movement of funds where the restriction has been satisfied.

Group	Note	Movement in funds			
		At 1 April 2010 £'000	Incoming resources £'000	(Expenditure), gains and (losses) £'000	At 31 March 2011 £'000
Restricted funds					
Legacy fund	(a)	1,893	21	(10)	749
Fixed asset fund	(b)	96	-	(14)	82
Community centres fund	(c)	674	-	(22)	652
Food services fund	(d)	52	322	(341)	33
Services welfare fund	(e)	354	3,097	(2,882)	569
Other funds	(f)	2,051	551	(416)	135
Total restricted funds		5,120	3,991	(3,685)	2,220
Designated funds					
Hospital fund	(g)	14,337	38,301	(39,718)	13,382
Investment property fund	(h)	88	162	-	250
Fixed asset fund	(i)	5,338	-	(760)	6,514
Community centres fund	(c)	145	-	(5)	140
Community bank accounts	(j)	869	1,187	(1,189)	1,062
Strategic review	(k)	2,713	-	(1,144)	1,569
IT Investment fund	(l)	-	-	-	2,000
Service development fund	(m)	-	-	-	3,400
Fundraising capacity fund	(n)	-	-	-	3,100
Vehicle finance fund	(o)	-	-	-	1,100
Retail equipment fund	(p)	-	-	-	400
Total designated funds		23,490	39,650	(42,816)	32,917
General funds		25,542	35,466	(35,612)	16,009
Total unrestricted funds		49,032	75,116	(78,428)	48,926
Total funds		54,152	79,107	(82,113)	51,146

Charity	Note	Movement in funds			
		At 1 April 2010 £'000	Incoming Resources £'000	(Expenditure), gains and (losses) £'000	At 31 March 2011 £'000
Restricted funds					
Legacy fund	(a)	1,893	21	(10)	749
Food services fund	(d)	53	322	(341)	34
Fixed asset fund	(b)	96	-	(14)	82
Community centres fund	(c)	674	-	(22)	652
Other funds	(f)	2,197	544	(416)	129
Total restricted funds		4,913	887	(802)	1,646
Designated funds					
Hospital fund	(g)	14,337	38,301	(39,718)	13,382
Investment property fund	(h)	88	162	-	250
Fixed asset fund	(i)	3,216	-	(744)	4,449
Community centres fund	(c)	145	-	(5)	140
Community bank accounts	(j)	869	1,187	(1,189)	1,062
Designated funds carried fwd		18,655	39,650	(41,656)	19,283

Notes to the financial statements (continued)
for the year ended 31 March 2011
13 Funds (continued)

		Movement in funds			
	Note	At 1 April 2010 £'000	Incoming Resources £'000	(Expenditure), gains and (losses) £'000	At 31 March 2011 £'000
				Transfers £'000	
Designated funds brought fwd		18,655	39,650	(41,656)	19,283
Strategic review	(k)	2,713	-	(1,144)	1,569
IT Investment fund	(l)	-	-	-	2,000
Service development fund	(m)	-	-	-	3,400
Fundraising capacity fund	(n)	-	-	-	3,100
Vehicle finance fund	(o)	-	-	-	275
Retail equipment fund	(p)	-	-	-	400
Total designated funds		21,368	39,650	(42,800)	30,027
General funds		22,017	26,257	(24,753)	15,064
Total unrestricted funds		43,385	65,907	(67,553)	45,091
Total funds		48,298	66,794	(68,355)	46,737

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

- The legacy fund comprises monies that must be used according to specific terms laid down by the legator. The fund is represented by the level of outstanding restricted legacies
- This represents the net book value of properties purchased with restricted funds
- The community centres fund represents funding from donors for the enhancement of community centres. The depreciation of the capital cost, which is included in fixed assets, is charged against this fund
- Food services fund represents income and expenditure within restricted grant funded food projects
- Services welfare fund contains the income and expenditure from the MOD contract
- Other funds represent those lifetime gifts received which are to be spent in accordance with the wishes of the donor

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 Trustees for specific purposes

- Hospital fund. WRVS has an obligation over a period to direct the 'surplus' earned in certain hospital services either to that hospital or for refurbishment of that service, subject to a retention of monies to fund the ongoing working capital requirements of each service. The arrangements that WRVS has with hospitals do not involve advance undertakings to pay specific amounts on specific dates to specific hospitals. However, these general obligations become specific ones when WRVS communicates with the hospital making a grant offer or a proposal to refurbish the service. The Trustees believe that these general obligations should be treated as unrestricted designated funds until such times as they become specific in nature
- The investment property fund reflects the market value of the investment properties held at 31 March 2011
- The fixed asset fund represents the written down value of tangible fixed assets, excluding those held as restricted funds or other designated funds
- Community bank account fund represents those funds held in community project bank accounts that have been raised by community projects, and for which the Trustees consider the funds are raised should be used in the community project that the money has been raised by. This has been transferred from unrestricted to designated funds in the year to reflect this
- Strategic review. The Trustees are committed to a 3 year programme to achieve the strategic review as detailed in the Trustees' report
- The IT investment fund includes expenditure for the hub infrastructure solution and the retail electronic point of sale implementation
- The service development fund is designated for future investment
- Fundraising capacity represents the planned investment to grow the donor base during 2011-12
- Vehicle finance fund finances vehicles for service delivery
- Retail equipment fund covers the balance of investment for the purchase of new coffee machines within hospitals

Notes to the financial statements (continued)
for the year ended 31 March 2011
14 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	2011 Total £'000
Fund balances at 31 March 2011 are represented by				
Tangible fixed assets	-	6,654	734	7,388
Fixed asset investments	-	13,386	-	13,386
Net current assets and provisions	16,009	12,877	1,486	30,372
Net assets	16,009	32,917	2,220	51,146

Charity

Fund balances at 31 March 2011 are represented by				
Tangible fixed assets	-	4,589	734	5,323
Fixed asset investments	-	13,386	-	13,386
Net current assets and provisions	15,064	12,052	912	28,028
Net assets	15,064	30,027	1,646	46,737

Amounts shown above in respect of fixed asset investments represent fund balances for fixed asset funds and community centres fund

15 Financial and capital commitments
Operating leases

At 31 March 2011 the annual commitments under non-cancellable operating leases were as follows

Group	Land and buildings		Other	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Expiring				
- within one year	828	968	276	686
- within two to five years	890	635	692	530
- thereafter	491	514	10	-
Charity				
Expiring				
- within one year	733	687	145	349
- within two to five years	651	490	164	261
- thereafter	465	483	10	-

Capital commitments

At 31 March 2011 the group and charity had capital commitments of £764,000 (2009-10 £nil)

Notes to the financial statements (continued) for the year ended 31 March 2011

16 Connected charities and companies

There are a number of charities and companies with which the group is connected by virtue of common or related objectives and activities, or by unity of administration but which are not controlled by WRVS or its Trustees. These are listed below together with a brief description of their activities and are not incorporated within these accounts as they are not controlled by WRVS.

Company/charity	Activity
WRVS Trust	A charitable trust supporting the activities of WRVS
WRVS Trustees Limited	A corporate Trustee for certain WRVS Trusts
WRVS Benevolent Trust	Supports WRVS members in need
Spitalfields Soup Kitchen	A welfare service
Invalid Meals for London	A welfare service
WRVS Association	For current and former volunteers to keep in touch
WRVS Guernsey	Provision of meals on wheels and day centre activity

Related Party Transactions: The group paid a licence fee of £30,000 for premises occupied by WRVS Association and WRVS Guernsey (2009-10: £17,000).

The charity has taken the exemption under Financial Reporting Standard 8 from disclosing those related party transactions with entities that are part of the WRVS group.

17 Contingent liabilities

The charity has, together with certain of its subsidiaries, a continuing joint and several liability to HM Revenue and Customs 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.

18 Pension commitments

Group

WRVS Services Welfare Limited, a subsidiary company of WRVS, operated a pension scheme providing benefits based on final pensionable pay. WRVS Services Welfare Limited closed the scheme on 1 October 2000. The assets of the scheme are held independently of the finances of WRVS Services Welfare Limited and the group. Contributions to the scheme in respect of past service are determined by a qualified actuary on the basis of triennial valuations. The latest actuarial valuation, which related to the position at 31 March 2008, showed the market value of the scheme's assets to be £3,997,000 which represented 92.0% of the amount of the liabilities of the scheme after allowing for assured future increases in benefits, on a Minimum Funding Requirement basis. The Ministry of Defence has entered into an agreement to provide WRVS Services Welfare Limited with sufficient resources to ensure the scheme will be 100% funded on the Minimum Funding Requirement basis (or its successor) by 31 July 2015.

The assumptions which have the most significant effect on the results of the actuarial valuation at 31 March 2008 are those relating to the rates of interest – pre retirement 5% p.a., post retirement 5% p.a., rate of inflation 3% p.a. and a 5% p.a. allowance for pension in payment. Contributions paid in the year in respect of this scheme amounted to £227,000 (2009-10: £227,004). The group also paid special contributions over the accounting period totalling £291,000 (2009-10: £nil).

**Notes to the financial statements (continued)
for the year ended 31 March 2011**
**18 Pension Commitments (continued)
Group (continued)**

The actuarial valuation described was updated at 31 March 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the 31 March 2011, 2010 and 2009 FRS 17 actuarial valuations were:

Present values of scheme liabilities, fair value of assets and surplus (deficit)

	31/03/2011 £'000s	31/03/2010 £'000s	31/03/2009 £'000s
Fair value of Scheme assets	6,583	5,720	3,981
Present value of scheme liabilities	5,090	4,962	4,355
Surplus (deficit) in scheme	1,493	758	(374)
Asset (liability) to be recognised	1,493	758	(374)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year Ending 31/03/2011 £'000s	Year Ending 31/03/2010 £'000s
Scheme liabilities at start of year	4,962	4,355
Interest cost	267	288
Actuarial losses	80	539
Benefits paid and death in service insurance premiums	(219)	(220)
Scheme liabilities at end of year	5,090	4,962

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year Ending 31/03/2011 £'000s	Year Ending 31/03/2010 £'000s
Fair value of scheme assets at start of year	5,720	3,981
Expected return on scheme assets	267	241
Actuarial gains	297	1,491
Contributions by the group	518	227
Benefits paid and death in service insurance premiums	(219)	(220)
Fair value of scheme assets at end of year	6,583	5,720

The actual return on the scheme assets over the period ending 31 March 2011 was £564k (2009-10 £1,732k)

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)
Total expense/(income) recognised in Statement of Financial Activities

	Year Ending 31/03/11 £'000s	Year Ending 31/03/2010 £'000s
Current service cost	-	-
Interest cost	267	288
Expected return on scheme assets	(267)	(241)
Total expense (income) recognised in Statement of Financial Activities	-	47

These amounts are included within resources expended/(incoming resources) in 'Services welfare'

Analysis of actuarial gains/(losses) recognised in Statement of Financial Activities

	Year Ending 31/03/2011 £'000s	Year Ending 31/03/2010 £'000s
Difference between expected and actual return on scheme assets		
Amount gain	297	1,491
Experience gains and losses arising on the scheme liabilities		
Amount gain	1	60
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities		
Amount loss	(81)	(599)
Total actuarial gains and losses recognised in the Statement of Financial Activities		
Amount gain	217	952

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since adoption of FRS17 is a gain of £387,000

Assets

	31/03/2011 £'000s	31/03/2010 £'000s	31/03/2009 £'000s
Equity	5,163	4,700	2,518
Bonds	962	686	1,015
Other	458	334	448
Total Assets	6,583	5,720	3,981

None of the fair values of the assets shown above include any of the Group's own financial instruments or property occupied by, or other assets used by, the Group

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)
Assumptions

	31/03/2011 % per annum	31/03/2010 % per annum	31/03/2009 % per annum
Inflation	3.50%	3.60%	3.00%
Rate of discount	5.50%	5.50%	6.50%
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.00%	3.60%	3.00%
Allowance for commutation of pension for cash at retirement	None	None	None

The mortality assumptions adopted by 31 March 2011 imply the following life expectancies

Male retiring at age 65 in 2011	22.4
Female retiring at age 65 in 2011	24.5
Male retiring at age 65 in 2031	24.6
Female retiring at age 65 in 2031	26.9

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to the yield on long term government bonds at the balance sheet dates. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the return on long dated government bonds with an allowance for out-performance.

The expected long term rates of return applicable for each period are as follows

	Year Commencing 01/04/2010 % per annum	Year Commencing 01/04/2009 % per annum
Equity	7.00%	6.50%
Bonds	4.80%	4.80%
Other	4.50%	4.00%
Overall for scheme	6.59%	5.79%

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)
Amounts for the current and previous four years

	2011 £'000s	2010 £'000s	2009 £'000s	2008 £'000s	2007 £'000s
Fair value of scheme assets	6,583	5,720	3,981	5,166	5,502
Present value of scheme liabilities	5,090	4,962	4,355	4,503	4,822
Surplus (deficit) in scheme	1,493	758	(374)	663	680
Experience adjustment on scheme assets	297	1,491	(1,492)	(683)	33
Experience adjustment on scheme liabilities	1	60	215	168	81

The best estimate of contributions to be paid by the Group to the scheme for the period beginning after 31 March 2011 is £227,004

Movements in asset/(liability) during the year were	2011 £'000	2010 £'000
Asset/(liability) recognised at the start of the year	758	(374)
Employer contributions	518	227
Other finance income	-	(47)
Actuarial gain	217	952
Asset recognised at the end of the year	1,493	758

WRVS Food Services Limited a subsidiary company of WRVS is a scheduled member of the Essex Pension Fund an admitting authority to the Local Government Pension Scheme (LGPS) a multi-employer scheme. Any surplus or deficit relating to employees transferred from Essex County Council under TUPE arrangements under certain contracts has become the surplus or deficit of the group.

The contributions rates are those recommended by the fund's actuary Mercers and are set on the basis of

- The relationship between the assessed value of assets and the accrued value of liabilities of pensionable service to 31 March 2010
- The level of contribution needed to meet the cost of the year by year accrued benefits in the future

The assets of the scheme are held independently of the finances of WRVS Food Services Limited and the group. Contributions to the scheme in respect of past service are determined by a qualified actuary on the basis of triennial valuations.

The total bid value of the entire funds assets as at 31 March 2010 was £3,085m as provided by the administering authority. The group's share of these assets at their bid value amounted to £181,000 as at 31 March 2011.

The latest formal valuation of the entire fund for the purpose of setting employers' actual contributions was as at 31 March 2010 with the next formal valuation due as at 31 March 2013. In 2010-11 the employer contribution rate was 12.2%. The average employee contribution rate was 6.5%. Contributions paid by the group in the year in respect of this scheme amounted to £nil.

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)

The actuarial valuation for the group's share of scheme assets was updated at 31 March 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the 31 March 2011 FRS 17 actuarial valuations were:

Assumptions

	31/03/2011 (% p a)
RPI Inflation	3.5
CPI Inflation	2.7
Salary Increases	4.0
Rate of increase to pensions in payment	2.7
Discount rate for Scheme liabilities	5.5
Cash commutation	Nil
Mortality	PA 92 year of birth medium cohort

	Long-term rate of return expected at 31 March 2011 (% p a)	Value at 31 March 2011 (£'000)
Equities	7.5	126
Property	6.5	20
Other bonds	5.5	17
Government bonds	4.5	12
Other	3.5	6
Total market value of assets		181

None of the fair values of the assets shown above include any of the company's own financial instruments or assets used by the company.

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to the yield on long term government bonds at the balance sheet dates. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the return on long dated government bonds with an allowance for out-performance.

Reconciliation to balance sheet

	Value at 31 March 2011 (£'000)
Total market value of assets	181
Present value of Scheme liabilities	150
Surplus/(deficit) in Scheme	31
Effect of surplus cap	(31)
Related deferred tax/asset/(liability)	-
Net pension asset/(liability) recognised	-

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)
Total expense/(income) recognised in Statement of Financial Activities

	For the year ending 31 March 2011 (£'000)
Current service cost	8
Past service cost/(credits)	-
Curtailments/settlements	-
Expected return on pension scheme assets	(11)
Interest on pension scheme liabilities	9
Net charge to the Statement of Financial Activities	6

These amounts are included within resources expended/(incoming resources) in 'Food services'

Analysis of changes in the fair value of Scheme assets

	For the year ending 31 March 2011 (£'000)
Fair value of scheme assets introduced	163
Expected return	11
Actuarial gain/(loss)	5
Settlements	-
Employer contributions	-
Member contributions	2
Benefits paid	-
Closing fair value of scheme assets	181

Analysis of changes in the present value of the defined benefit obligation

	For the year ending 31 March 2011 (£'000)
Defined benefit obligation introduced	163
Total service cost	10
Interest cost	59
Actuarial (gain)/loss	(32)
Past service (costs)/credits	-
Losses/(gains) on curtailments	-
Liabilities extinguished on settlements	-
Benefits paid	-
Closing defined benefit obligation	150

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group (continued)
Analysis of actuarial gains/(losses) recognised in Statement of Financial Activities

	For the year ending 31 March 2011 (£'000)
Actual return less expected return on pension scheme assets (% of Scheme assets)	5 (3.9%)
Experience gains and losses arising on the scheme liabilities (% of Scheme liabilities)	9 (6.0%)
Changes in assumptions underlying the present value of the scheme liabilities (% of Scheme liabilities)	23 (15.3%)
Total actuarial gain (% of Scheme liabilities)	37 (24.7%)
Effect of surplus cap (% of Scheme liabilities)	(31) (20.7%)
Total actuarial gain recognised in Statement of Financial Activities (% of Scheme liabilities)	6 (4.0%)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is a gain of £6,000

Movements in asset/(liability) during the year were	2011 £'000
Asset/(liability) recognised at the start of the year	-
Employer contributions	-
Current service costs	(8)
Other finance income	2
Actuarial gain	37
Effect of surplus cap	(31)
Asset recognised at the end of the year	-

The best estimate of contributions to be paid to the scheme for the period beginning after 31 March 2011 is £Nil

There are no experience gains or losses in respect of the scheme in WRVS Food Services Limited for the year as this is the first valuation of the scheme

Group and charity

WRVS is also a scheduled member of the Essex Pension Fund an admitting authority to the Local Government Pension Scheme (LGPS) a multi-employer scheme. Any surplus or deficit relating to employees transferred from Essex County Council under TUPE arrangements under certain contracts has become the surplus or deficit of the group.

The contributions rates are those recommended by the fund's actuary Mercers and are set on the basis of

- The relationship between the assessed value of assets and the accrued value of liabilities of pensionable service to 31 March 2010
- The level of contribution needed to meet the cost of the year by year accrued benefits in the future

The assets of the scheme are held independently of the finances of WRVS Food Services Limited and the group. Contributions to the scheme in respect of past service are determined by a qualified actuary on the basis of triennial valuations.

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group and charity

The total bid value of the entire funds assets as at 31 March 2010 was £3,085m as provided by the administering authority. The group's share of these assets at their bid value amounted to £587,000 as at 31 March 2011.

The latest formal valuation of the entire fund for the purpose of setting employers' actual contributions was as at 31 March 2010 with the next formal valuation due as at 31 March 2013. In 2010-11 the employer contribution rate was 12.2%. The average employee contribution rate was 6.5%. Contributions paid by the group in the year in respect of this scheme amounted to £12,000.

The actuarial valuation for the group's share of scheme assets was updated at 31 March 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the 31 March 2011 FRS 17 actuarial valuations were:

Assumptions

	31/03/2011 (% p a)
RPI Inflation	3.5
CPI Inflation	2.7
Salary Increases	4.0
Rate of increase to pensions in payment	2.7
Discount rate for Scheme liabilities	5.5
Cash commutation	Nil
Mortality	PA 92 year of birth medium cohort

	Long-term rate of return expected at 31 March 2011 (% p a)	Value at 31 March 2011 (£'000)
Equities	7.5	408
Property	6.5	66
Other bonds	5.5	56
Government bonds	4.5	39
Other	3.5	18
Total market value of assets		587

None of the fair values of the assets shown above include any of the company's own financial instruments or assets used by the company.

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to the yield on long term government bonds at the balance sheet dates. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the return on long dated government bonds with an allowance for out-performance.

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group and charity (continued)
Reconciliation to balance sheet

	Value at 31 March 2011 (£'000)
Total market value of assets	587
Present value of Scheme liabilities	697
Surplus/(deficit) in Scheme	(110)
Related deferred tax/asset/(liability)	-
Net pension asset/(liability) recognised	(110)

Total expense/(income) recognised in Statement of Financial Activities

	For the year ending 31 March 2011 (£'000)
Current service cost	18
Past service cost/(credits)	225
Curtailments/settlements	-
Expected return on pension scheme assets	(39)
Interest on pension scheme liabilities	45
Net charge to the Statement of Financial Activities	249

These amounts are included within resources expended/(incoming resources) in 'Food services'

Analysis of changes in the fair value of Scheme assets

	For the year ending 31 March 2011 (£'000)
Fair value of scheme assets introduced	574
Expected return	39
Actuarial gain/(loss)	18
Settlements	-
Employer contributions	12
Member contributions	5
Benefits paid	(61)
Closing fair value of scheme assets	587

**Notes to the financial statements (continued)
for the year ended 31 March 2011**
18 Pension Commitments (continued)
Group and charity (continued)
Analysis of changes in the present value of the defined benefit obligation

	For the year ending 31 March 2011 (£'000)
Defined benefit obligation introduced	799
Total service cost	23
Interest cost	45
Actuarial (gain)/loss	(109)
Past service (costs)/credits	225
Losses/(gains) on curtailments	-
Liabilities extinguished on settlements	-
Benefits paid	(61)
Closing defined benefit obligation	697

Analysis of actuarial gains/(losses) recognised in Statement of Financial Activities

	For the year ending 31 March 2011 (£'000)
Actual return less expected return on pension scheme assets (% of Scheme assets)	18 (3 1%)
Experience gains and losses arising on the scheme liabilities (% of Scheme liabilities)	5 (0 7%)
Changes in assumptions underlying the present value of the scheme liabilities (% of Scheme liabilities)	104 (14 9%)
Total actuarial gain recognised in Statement of Financial Activities (% of Scheme liabilities)	127 (18 2%)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is a gain of £127,000

Movements in asset/(liability) during the year were	2011 £'000
Asset/(liability) recognised at the start of the year	-
Employer contributions	12
Current service costs	(18)
Past service costs – introduction of net scheme assets and liabilities	(225)
Other finance income	(6)
Actuarial gain	127
Liability recognised at the end of the year	(110)

The best estimate of contributions to be paid to the scheme for the period beginning after 31 March 2011 is £12,000

There are no experience gains or losses in respect of the scheme in WRVS for the year as this is the first valuation of the scheme

Notes to the financial statements (continued)
for the year ended 31 March 2011
18 Pension Commitments (continued)
Group and charity (continued)

Summary of total aggregate movements in asset/(liability) during the year were	2011	2010
Group	£'000	£'000
Asset/(liability) recognised at the start of the year	758	(374)
Employer contributions	530	227
Current service costs	(26)	-
Past service costs – introduction of net scheme assets and liabilities	(225)	-
Other finance income	(4)	(47)
Actuarial gain	350	952
Asset recognised at the end of the year	1,383	758

Summary of total aggregate movements in asset/(liability) during the year were	2011	2010
Charity	£'000	£'000
Asset/(liability) recognised at the start of the year	-	-
Employer contributions	12	-
Current service costs	(18)	-
Past service costs – introduction of net scheme assets and liabilities	(225)	-
Other finance income	(6)	-
Actuarial gain	127	-
Liability recognised at the end of the year	(110)	-

Other pension schemes

The group and charity also operates a defined contribution scheme for which the pension cost charge for the year amounted to £376,231 (2009-10 £370,592)