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NATIONAL ASSOCIATION OF COUNCILS FOR
VOLUNTARY SERVICE

FINANCIAL STATEMENTS

31ST MARCH 1998

Loukes & Company
Chartered Accountants
Sheffield



NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1998

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The following pages do not form part of the statutory accounts

Detailed income and expenditure account	Appendix 1
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NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

COMPANY INFORMATION

31ST MARCH 1998

INCORPORATED	England 21st January 1991
NUMBER	2575206
SECRETARY	E Pritchard
REGISTERED OFFICE	3rd Floor Arundel Court 177 Arundel Street Sheffield S1 2NU
BANKERS	The Co-operative Bank plc 84 - 86 West Street Sheffield S1 3SX
AUDITORS	Loukes & Company Chartered Accountants Cliffe House 2a Hutcliffe Wood Road Sheffield S8 0EX

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

DIRECTORS' REPORT

31ST MARCH 1998

The directors present their report and the audited financial statements for the year ended 31st March 1998.

Principal activity

The principal activity of the company is to establish and support or aid in the establishment and support in England of Councils for Voluntary Service or similar charitable organisations and to create a national movement to achieve greater influence for Councils for Voluntary Service.

Directors

The directors of the company during the year were as follows

N Irving	T Iley-Hazelgrove	J Mayhew	R Robinson
S Burke	V Jepps	J McGrother	S Veasey
W Bee	J Kaye	A Pryor	E Bailey
H Catt	M Kearney	P Rainford	M Bland
E Donnison	K Liles	B Rice	A Galvin
C Miller	R Heath	M Clemson	N Davies
E Farrelly	R Manley	Y Chauhan	A Dorton
M Matcham			

Auditors

Loukes & Company have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

E Pritchard
E Pritchard
Secretary

3rd Floor Arundel Court
177 Arundel Street
Sheffield
S1 2NU

19th August 1998

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

TRUSTEES' REPORT

It seems to me that NACVS has demonstrated the need and the relevance for a separate independent voice for CVS (and thus for the local voluntary sector) over the last few years. This is particularly true of the last year during which the new Government has made it clear just how much it expects the local voluntary and community sector to be effective partners in areas as diverse as Welfare to Work: New Deal, the development of representative regional government, regeneration and health and social care.

It is part of our role to represent the voice and interests of those in the local voluntary sector, to argue for effective core funding and effective capacity building and to be clear about what the voluntary sector can and cannot take on within existing resources. The real costs of much policy and planning work is often hidden as staff absorb more and more demands by working longer and longer hours or underestimating the cost of their time and expertise. This is not in the long-term interests of the sector or indeed of society. The real costs, whether of direct services, infrastructure support or strategic input must be identified and recognised.

NACVS will be prioritising work on the issue of core and infrastructure funding at a local, regional and national level over the next twelve months. I am confident that the introduction of the Government's Compact with the voluntary sector, which explicitly recognises both the value of the sector and the Government's role in funding it, will help us in this work.

Lis Pritchard
Director

Informing the CVS network

In order for CVS to operate as effectively as possible at a local level, it is essential that NACVS understands the wide range of issues, from new sources of funding to Government initiatives, which will impact on CVS and their members. Information is communicated through mailings, via the enquiry service and seminars.

This year NACVS:

- * produced twelve copies of its highly valued monthly loose-leaf mailing, *Circulation*. Over 400 subscribers received information through articles and an impressive range of inserts. The majority of CVS used information and articles from *Circulation* for their own publications, meaning that around 150,000 local voluntary and community groups benefited directly from the pages of *Circulation*.
- * continued to respond to a high volume of callers. Over the year 2,403 enquiries were handled across the staff team, on average 200 a month, on issues as diverse as staffing and trustee board matters and the implications of the Government's Welfare to Work: New Deal scheme on CVS.

- * sent out a grand total of 22,500 posters advertising local courses available to local voluntary and community organisations through the Short Course Programme, co-ordinated by NACVS.
- * published *Partnership works* with Business in the Community, drawing on a number of innovative schemes operating at grass roots level, which maximise the relationship between business and the voluntary and community sector. Each member CVS received ten free copies for their own use.
- * organise and convened the first of a series of events responding to current initiatives, focusing on Welfare to Work: New Deal. Twenty two CVS representatives attended the Networking Day in Birmingham, along with a number of Home Office staff, and fully appreciated the opportunity to be informed and exchange experiences.
- * started planning for a web site to complement the information and enquiry service already in place. The web site, to be developed as part of the Lottery funded CVS Development Project, will host information on NACVS and CVS. It will facilitate the exchange of information at a local, regional and national level.

Speaking out for the CVS network

An important element of NACVS work is ensuring that the local perspective is represented, particularly where major initiatives are in question.

This year NACVS:

- * received wide press coverage in the Financial Times on Welfare to Work, in the Guardian on regionalisation and in Third Sector and other voluntary sector press on a variety of issues.
- * made considerable input to ongoing planning for the Government's Welfare to Work: New Deal scheme, flagging up and pressing for changes when the needs of small, local voluntary organisations had been overlooked. NACVS was represented on the New Deal Advisory Group to the Task Force, produced a joint information pack for MPs on Welfare to Work with NCVO and mailed Employment Service managers with a briefing on CVS and how they might be involved locally.
- * represented the interests of the local voluntary and community sector through: the Working Party on the Government and Voluntary Sector Compact, the Intermediaries Conference, the Quality Standards Task Group, the Review of Charity Taxation, the Better Regulation Task Force and the Two Way Street initiative.
- * represented CVS interests at both the Labour and Conservative Party conferences and attended two Downing Street receptions for the launch of Welfare to Work: New Deal and follow up to Labour's *Building the Future Together*.
- * attended and contributed to steering groups on the National Training Organisation (NTO) for the voluntary sector and the Directory of Social Change Management Course.

- * targeted key MPs on the All Party Group on Charities and the Voluntary Sector with a monthly digest of information to ensure they were kept in contact with issues affecting local voluntary and community groups.

Empowering the CVS network

The past year has seen CVS increasingly recognised as one of the key gateways to grass roots voluntary and community organisations. This recognition brings with it the demand for a cohesive network of quality organisations. NACVS has secured several bids for projects to strengthen and enlarge the CVS network, as well as improving on already existing services.

This year NACVS:

- * successfully gained three year project funding from the National Lottery Charities Board to provide additional development support, through three project staff, to small and emerging CVS needing support to work towards NACVS membership standards. The project aims to encourage the growth of the CVS network so that it is better able to support local voluntary and community groups across all areas of England. Existing CVS stand to gain through elements of the project which look at the long-term sustainability of CVS.
- * secured money from the Allen Lane Foundation to enable CVS to invest in training on lesbian and gay issues in their locality. Five CVS were able to employ trainers to tailor training to local needs.
- * pressed ahead with the Accredited Training Project, forging new links with awarding bodies and starting to map accredited activity across the country. This will lead to the publication of a pack explaining the options open to CVS around accredited training. It will also inform organisations around the country of expertise they can draw on from other areas.
- * further developed the Short Course Programme, adding four new centres to the programme. The low cost, locally based training, now offered through 18 centres, continues to benefit a wide range of voluntary and community organisations.
- * added nine CVS to its membership over the year, bringing the total number of NACVS members to 238 at April 1998.

Consulting the CVS network

NACVS exists to meet the needs of its member CVS and other non member groups working towards membership. In order to do this effectively NACVS has carried out a number of reviews in the past year to canvas opinion on issues affecting NACVS and the CVS network.

This year NACVS:

- * carried out a major telephone review of the Annual Conference and AGM. A representative sample of 30 CVS of varying sizes, income levels, locations and differing levels of attendance at the conference were questioned in-depth. This exercise was followed

by a focus group in Sheffield which honed ideas resulting from the telephone consultation. As a result, Conference 1998 will be radically different in the way it meets the needs of the CVS network. It will be shorter, sharper, cheaper and more operationally focused.

- * sought CVS opinions on how NACVS delivers training to the CVS network, through a written questionnaire. Information will be collated and analysed to inform a training strategy which will shape NACVS future work on training.
- * engaged Compass Partnership, with money from the Voluntary and Community Unit of the Home Office, to review how NACVS communicates with a variety of audiences and how such communication might be more effective. CVS, other voluntary and community sector organisations, statutory organisations, trusts and corporate organisations are being consulted.
- * began to review the use of quality standards and the NACVS membership application process. Initial work in this area was undertaken by Ford Partnership. A number of CVS were interviewed in-depth to analyse their development and use of different quality models.
- * informally consulted with CVS on Welfare to Work: New Deal at a Networking Day and also through extensive telephone contact on this issue. As a result, NACVS has been able to influence local arrangements, with start up costs and underwriting for voluntary organisations being introduced.
- * participated in the organisation of a conference on regionalisation issues in Birmingham, which brought together a number of regional representatives to inform future policy.

Servicing the CVS network

In providing a range of services to the CVS network, NACVS needs to work in the most effective way possible. This has resulted in an internal restructure of the staff team and a review of the shape of the Trustee Board. Other *membership services* have been added to the NACVS portfolio over the year.

This year NACVS:

- * restructured its Policy and Development Team and undertook a substantial recruitment programme, most notably for a new director and for the Lottery funded CVS Development Project.
- * developed proposals for a streamlined Trustee Board to allow it to meet more frequently and have more input to and involvement with the work of NACVS.
- * regularly attended CVS regional meetings and provided support and input to a number of the emerging regional fora.
- * re-established the quarterly Information Services Group, a forum which allows CVS information workers to meet, receive some specialist input from outside the CVS network and exchange ideas, experiences and expertise.

- * continued to convene the Lesbian, Gay and Bisexual Reference Group and explore ways it could have greater input into the network as a whole.
- * introduced a Trainer's Network for those working on training issues within CVS. Inaugural meetings in the north and south saw 40 people attend from across the CVS network.
- * organised the Annual Conference and AGM, taking into account many of the recommendations made by CVS in the conference review earlier in the year.
- * entered into a partnership arrangement with the Directory of Social Change for Charityfair 98. NACVS contributed to the planning of one of Charityfair's three days, to ensure that the needs of voluntary and community organisations, smaller ones in particular, were taken into account.
- * played a significant role in gaining a substantial grant from the National Lottery Charities Board, as part of the National Voluntary and Community Sector Accreditation Consortium. The Consortium established the Sharing Credit Project and NACVS now chairs the project management group.
- * undertook preparatory work for the introduction of a joint insurance package to cover CVS for trustee liability and professional indemnity insurance.
- * embarked on discussions with the Guardian newspaper to introduce an additional discount for CVS members on recruitment advertising.

Looking to the future

- * NACVS will be working closely with our members and other colleagues over the next year on the development of local compacts, which will have a direct impact on CVS and their members around the country.
- * We will also need to develop ways of more effectively supporting our members who are involved in the emerging voluntary sector regional networks.
- * Over the coming year, NACVS will be drawing on and using the skills and expertise in the CVS network more directly for our policy work. We will also be exploring different ways of doing this — policy days, directors' fora, email and teleconferencing are just some examples.
- * Following the launch of the NACVS website, we shall be extending our work in the IT field, working to improve access to information and services across the network through the internet. Funding from the National Lottery Charities Board will provide help for some new and existing CVS to access these resources.
- * NACVS will be working towards full geographic coverage of CVS within England as one of the aims of our Lottery funded CVS Development project.
- * In response to feedback from CVS, we will be reviewing, revising and updating all our policy documents and membership guidelines in consultation with our members.

- * NACVS will also need to consider issues of recognition and common identity. The CVS network will be more effective if there is a better understanding (not just within the field) of the pivotal role of CVS in local communities. This has implications for the work that has started and will be further developed on monitoring, evaluation and quality standards.
- * NACVS will be working closely with a number of sister organisations over the coming year. While there is clearly value in diversity within the wider network, it is also important for us all to share experience, expertise and resources, where appropriate, to develop and support the voluntary and community sector on a local, regional and national basis.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

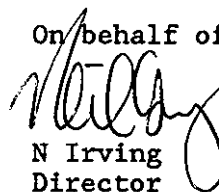
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

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

19th August 1998

On behalf of the board


N Irving
Director

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**AUDITORS' REPORT****Auditors' report to the members of****National Association of Councils for voluntary Service**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

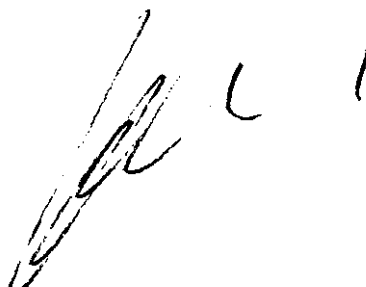
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sheffield
19th August 1998



Loukes & Company
Registered Auditors
Chartered Accountants

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	Note	1998 £	1997 £
Income	2	349,730	317,488
Net operating expenses		(370,360)	(357,139)
Loss on ordinary activities before taxation		(20,630)	(39,651)
Taxation		-	-
Loss on ordinary activities after taxation retained for the year		(20,630)	(39,651)

Movements in reserves are shown in note 9.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the loss for the year.

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NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

BALANCE SHEET

AT 31ST MARCH 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	4		27,409		33,048
Current assets					
Stocks	5	1,312		2,400	
Debtors	6	32,663		20,873	
Cash at bank and in hand		1,810		41,823	
			35,785		65,096
Creditors: amounts falling due within one year	7	(28,817)		(46,164)	
Net current assets			6,968		18,932
Total assets less current liabilities			34,377		51,980
Deferred income			(13,471)		(10,444)
			20,906		41,536
Capital and reserves					
Capital funds					
Endowment funds			4,588		4,588
Income funds	9		16,318		36,948
Total funds	8		20,906		41,536

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 10 were approved by the board of directors on 19th August 1998 and signed on its behalf by:


N Irving
Director

NOTES ON FINANCIAL STATEMENTS

31ST MARCH 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	Straight line over the term of lease
Fixtures and fittings	25.0% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Turnover

In the opinion of the directors, none of the income of the company is attributable to geographical markets outside the UK. (1997 nil)

NOTES ON FINANCIAL STATEMENTS

31ST MARCH 1998

3 Operating loss

	1998 £	1997 £
Operating loss is stated after charging Auditors' remuneration	<u>2,300</u>	<u>2,320</u>
Depreciation of tangible fixed assets (note 4) owned assets	<u>3,813</u>	<u>8,260</u>

4 Tangible fixed assets

	Land and Buildings £	Plant and Machinery etc £	Total £
Cost			
1st April 1997	17,117	46,674	63,791
Additions	-	1,674	1,674
31st March 1998	<u>17,117</u>	<u>48,348</u>	<u>65,465</u>
Depreciation			
1st April 1997	6,713	24,030	30,743
Charge for year	<u>2,272</u>	<u>6,085</u>	<u>3,813</u>
31st March 1998	<u>4,441</u>	<u>30,115</u>	<u>34,556</u>
Net book amount			
31st March 1998	<u>9,176</u>	<u>18,233</u>	<u>27,409</u>
1st April 1997	<u>10,404</u>	<u>22,644</u>	<u>33,048</u>

5 Stocks

	1998 £	1997 £
Stocks of publications	<u>1,312</u>	<u>2,400</u>

NOTES ON FINANCIAL STATEMENTS

31ST MARCH 1998

6 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	12,932	8,649
Other debtors	8,171	664
	<u>21,103</u>	<u>9,313</u>
Amounts falling due after more than one year	11,560	11,560
	<u>32,663</u>	<u>20,873</u>

7 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	-	7,062
Trade creditors	10,301	17,344
Other creditors	18,516	21,758
	<u>28,817</u>	<u>46,164</u>

8 Reconciliation of movements in funds

	1998 £	1997 £
Loss for the financial year representing a Net subtraction from funds	(20,630)	(39,651)
Opening funds	<u>41,536</u>	<u>81,187</u>
Closing funds	<u>20,906</u>	<u>41,536</u>

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

NOTES ON FINANCIAL STATEMENTS

31ST MARCH 1998

9 Profit and loss account

	1998 £
1st April 1997	41,536
Retained loss for the year	(20,630)
31st March 1998	<u>20,906</u>

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	1998		1997	
	£	£	£	£
Income				
Grants donations and project income	278,263		220,539	
Deferred income b fwd	10,444		34,696	
Deferred income c fwd	(9,971)		(10,444)	
Membership fees and subscriptions	32,871		27,381	
Sales and services	13,783		18,266	
Conference receipts	22,110		25,218	
Interest received	2,230		1,832	
	<u>349,730</u>		<u>317,488</u>	
Direct charitable costs	276,562		265,808	
Fund raising and publicity	20,236		14,739	
Administration Expenses	69,749		68,332	
Depreciation	<u>3,813</u>		<u>8,260</u>	
	<u>370,360</u>		<u>357,139</u>	
Net loss for the year	<u>(20,630)</u>		<u>(39,651)</u>	

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

	{ Restricted Funds }					Total 1997	
	Unrestricted Funds	Community Care J P O	Regionalisation	C V S Standards	Accreditation		Endowment Funds
INCOMING RESOURCES							
Grants, Donations & Project Income	243263	153	10291	8000	27000	278263	220539
Received during the year			-4031	-4250	-1690	10444	34696
Deferred income brought forward						-9971	-10444
Deferred income carried forward							
	243263	153	6260	3750	25310	278736	244791
Membership Fees and Subscriptions	32871					32871	27381
Sales and Services	13783					13783	182666
Conference Fees Received	22110					22110	25218
Interest Received	2230					2230	1832
TOTAL INCOMING RESOURCES	314257	153	6260	3750	25310	349730	317488
RESOURCES EXPENDED							
DIRECT CHARITABLE COSTS							
Short Course Programme	16308			3750		16308	11186
Improving Standards					25310	3750	
Accreditation						25310	
JPO Community Care Project			6260			6260	23654
Regionalisation Project						1709	1709
Information	1420					1420	1394
Circulation	8197					8197	9187
Publications	3296					3296	11366
Training and Events	956					956	472
Conference	18087					18087	23118
Staff Travel	5362					5362	5145
CVS Marketing	389					389	4067
Communications	3681					3681	4888
Staff Costs	160158					160158	145717
Premises Costs	23388					23388	23905
TOTAL DIRECT CHARITABLE COSTS	241242		6260	3750	25310	276562	265808
FUNDRAISING							
Fundraising and Promotion	7398					7398	2762
Staff Costs	10677					10677	9714
Communications	245					245	326
Premises Costs	1559					1559	1594
Staff Travel	357					357	343
TOTAL FUNDRAISING COSTS	20236					20236	14739

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 1998

{ Restricted Funds }

	Unrestricted Funds	Community Care J P O	Regionalisation	C V S Standards	Accreditation	Endowment Funds	Total 1998	Total 1997
ADMINISTRATION EXPENSES								
Committee Costs	7410						7410	6469
Bank Charges	130						130	103
Audit and Accountancy	2300						2300	2320
Recruitment	5653						5653	5373
Staff Travel	1430						1430	1372
Staff Costs	42709						42709	38858
Premises Costs	6237						6237	6375
Repairs and Renewals	1787						1787	1493
Irrecoverable Debts								2777
Communications Costs	982						982	1303
Sundry Expenses	1111						1111	1889
Amortisation of Capital Grant	-3500						-3500	
Depreciation	7313						7313	8260
TOTAL ADMINISTRATION EXPENSES	73562						73562	76592
TOTAL RESOURCES EXPENDED	335040		6260	3750	25310		370360	357139
NET INCOMING / OUTGOING RESOURCES BEFORE TRANSFERS	-20783	153					-20630	-39651
Transfers between funds	153	-153						
NET INCOMING / OUTGOING RESOURCES AFTER TRANSFERS	-20630						-20630	-39651
NET MOVEMENT IN FUNDS DURING THE YEAR	-20630						-20630	-39651
FUNDS BROUGHT FORWARD 1ST APRIL 1997	36948					4588	41536	81187
FUNDS CARRIED FORWARD 31ST MARCH 1998	16318					4588	20906	41536