

NATIONAL ASSOCIATION OF COUNCILS
FOR VOLUNTARY SERVICE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

Company Number: 2575206

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NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**LEGAL AND ADMINISTRATIVE DETAILS****Legal Status**

National Association of Councils for Voluntary Service ("NACVS") is a charity (No. 1001635) and a company limited by guarantee (No. 2575206).

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees.

The trustees of the charity during the year were as follows:-

E. Bailey - end of term September 2000
B Brooks
H Catt
T Iley - Hazelgrove
C Houston - elected September 2000
H Hughes
N Irving
V Jepps - end of term September 2000
R Jones - elected September 2000
H Mehta - end of term September 2000
A Pryor
P Rainford - resigned January 2001
J Rich - elected September 2000
 - resigned March 2001
P Warburton - elected September 2000
H Williams

Since NACVS is a company limited by guarantee, it does not have any paid up share capital.

Company Secretary and Registered Office

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

Auditors

Barber Harrison & Platt
2 Rutland Park
Sheffield
S10 2PD

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**LEGAL AND ADMINISTRATIVE DETAILS - continued****Bankers**

Unity Trust Bank plc
Nine Brindleyplace
4 Oozells Square
Birmingham
B1 2HB

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2001

The trustees, who are also directors for the purposes of the Companies Act, are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2001.

The legal and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements and the memorandum and articles of association. They also comply with the Statement of Recommended Practice – Accounting and Reporting by Charities issued in October 2000 except as explained below under Internal Control and Risk Management.

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.

Review of activities

NACVS continued to support our member CVS and to represent their interests in a number of ways. By the end of the year we had 271 full Members and 58 Associates.

We ran a successful Conference and Chief Officers' event, plus a number of other smaller events during the year. We produced 10 editions of *Circulation* and the first edition of NACVS News. We produced a number of other publications including the NACVS Directory and updated Guidelines for CVS. Most of our publications are also now available on our website.

We provided support to 93 developing CVS and to existing members and CVS networks, and attended and spoke at a range of events on subjects, including Local Compacts.

We worked with the Active Community Unit (ACU) and other government departments on a range of issues affecting our members and lobbied for effective strategic (core) funding of CVS. We also continued to work closely with a number of other national organisations to improve services and support to our local members.

For the first time, we worked with the National Institute of Adult Continuing Education (NIACE) to deliver a DfEE funded Basic Skills and English for Speakers of Other Languages (ESOL) Fund to support CVS and their members working with disadvantaged groups.

We continued to work with the Charities Evaluation Service (CES) on Measuring Impact and on supporting the use of PQASSO (Practical Quality Assurance System for Small Organisations) by and through the CVS network.

Our application to the NLCB (now the Community Fund) for the continuation of the CVS Development Project was successful. We were also successful in a partnership bid (with four other national organisations: bassac, BTEG, Dial UK and NACAB) to the ACU and the Lloyds TSB Foundation for England and Wales for a major new 'Action Learning for Managers' project. This project will begin in 2001/02.

The theme of social inclusion and equalities ran through all our work this year. Staff and trustees took part in a comprehensive 4-day equal opportunities training programme. As part of on-going organisational development, NACVS is also implementing the PQASSO quality assurance system.

A full review of the activities of NACVS during 2000/01 is given in the Annual Review. Copies of this are available from the Registered Office of NACVS.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2001 - continued****Organisation**

The trustees who have served during the year and since the year end are set out on page 1. The trustees are elected annually by the members of the charity attending the Annual General Meeting and serve for an initial period of three years. A further three year term may be served. Trustees must be nominated by member organisations. Up to two trustees may also be co-opted onto the Trustee Board. The trustees meet seven times a year.

Reserves Policy

It is the policy of the trustees to maintain the 'free reserves' (unrestricted funds not committed or invested in tangible fixed assets) at a minimum level which equates to approximately three months unrestricted expenditure. Three months unrestricted expenditure is anticipated to be about £100,000 in 2001/02. At this minimum level of reserves the trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. In those circumstances the trustees would, of course, have to consider how the funding could be replaced or activities changed. The charity has been working for a number of years to bring free reserves up to the required minimum level. This year it has achieved its target and free reserves now stand at £105,248.

Internal control and risk management

During the year the trustees reviewed their systems of internal control. The systems have been designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the trustees
- regular consideration by the trustees of financial results, variance from budgets, and performance against the non-financial annual plan
- delegation of authority and separation of duties

The internal financial controls conform with guidelines issued by the Charity Commission.

While the management of risk is taken into account by the trustees in their decision making, they do not yet have a formal risk management process. In this respect that the accounts do not comply with SORP 2000, but during the coming year the trustees will be developing a formal risk management process.

Investment Policy

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. At present, surplus funds are invested in interest bearing bank accounts and funds are moved between accounts so as to maximise the interest earned. Bank interest receivable during the year amounted to £12,758. In the forthcoming year the trustees will be examining the use of alternative forms of investment.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then 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 charity will continue in business.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2001 - continued****Trustees' responsibilities in relation to the financial statements - continued**

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

Auditors

The auditors, Barber Harrison & Platt, having been appointed during the year, have expressed their willingness to continue in office, subject to the approval of members in general meeting.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board



E Pritchard
Secretary

Sheffield
10 July 2001

AUDITORS' REPORT

To the members of **NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**

We have audited the financial statements on pages 7 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 9 to 11.

Respective responsibilities of the trustees and auditors

As described on pages 4 to 5 the trustees 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 whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2001 and of the charity's incoming resources and application of resources, including the charity's income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BARBER HARRISON & PLATT

Chartered Accountants and
Registered Auditors

Sheffield
10 July 2001

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2001

		Unrestricted	Restricted	Endowment	2001	As restated
	Note	Funds	Funds	(Note 19)	Total	2000
		£	(Note 18)	£	£	Total
			£			£
Income and expenditure account						
Incoming resources						
Grants, donations and similar incoming resources	4	259,643	306,141	-	565,784	530,121
Operating activities in furtherance of the charity's objects		122,562	-	-	122,562	95,353
Activities to generate funds		880	-	-	880	8,508
Investment income		12,758	-	-	12,758	3,761
Total incoming resources	3(a)	395,843	306,141	-	701,984	637,743
Resources expended						
Cost of generating funds		5,844	-	-	5,844	13,678
Charitable expenditure						
Costs of activities in furtherance of the charity's objects	5	273,016	293,406	-	566,422	482,507
Management and administration	5	52,474	1,000	-	53,474	52,912
		325,490	294,406	-	619,896	535,419
Total resources expended	3(b)	331,334	294,406	-	625,740	549,097
Net movement in funds for the year - net income for the year	7	64,509	11,735	-	76,244	88,646
Funds as at 1.4.00 as previously stated		46,976	-	4,588	51,564	21,853
Prior year adjustment	21	25,109	46,763	-	71,872	12,937
Funds as at 1.4.00 as restated		72,085	46,763	4,588	123,436	34,790
Funds as at 31.3.01	20	136,594	58,498	4,588	199,680	123,436

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

BALANCE SHEET AS AT 31 MARCH 2001

	Note	<u>2001</u>		As restated <u>2000</u>
		£	£	£
Fixed assets				
Tangible assets	11		30,229	<u>31,519</u>
Current assets				
Stock		50		50
Debtors	13	23,167		23,598
Cash at bank and in hand		343,243		<u>146,312</u>
		<u>366,460</u>		169,960
Creditors: Amounts falling due within one year	14	<u>197,009</u>		<u>78,043</u>
Net current assets			<u>169,451</u>	<u>91,917</u>
Net assets			<u>199,680</u>	<u>123,436</u>
Accumulated funds				
Unrestricted - General		105,248		53,389
- Designated	17	<u>31,346</u>		<u>18,696</u>
			136,594	72,085
Restricted	18		58,498	46,763
Endowment	19		<u>4,588</u>	<u>4,588</u>
	20		<u>199,680</u>	<u>123,436</u>

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

The financial statements on pages 7 to 19 were approved by the Trustee Board on 10 July 2001 and are signed on its behalf by:-


N. IRVING - Honorary Treasurer and Director


T. HAZELGROVE - Acting Chair and Director

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2001

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000 (except for the risk management assessment which the trustees are to address in the forthcoming financial year), applicable accounting standards and the Companies Act 1985.

The company has taken advantage of the exemption from preparing a cashflow statement conferred by Financial Reporting Standard No 1 on the grounds that it is entitled to the exemptions as a small entity.

b) Separate Funds

Incoming and outgoing resources are split between restricted funds, designated funds and other unrestricted funds. Closing funds are categorised in the same way.

(i) Restricted Funds

These are funds subject to specific trusts which may have been declared by the funders or with their authority (eg in a public appeal), but still within the objects of NACVS. They may be restricted income funds which are expendable at the discretion of the trustees/directors in furtherance of a particular project or objective of NACVS. Alternatively they may be capital funds where the funds are required to be invested in fixed assets for charity use or in investment assets.

(ii) Designated Funds

These are unrestricted funds which have been designated by the trustees/directors for a particular purpose or project which they have decided to undertake.

(iii) Unrestricted funds

These are expendable at the discretion of the trustees/directors in the furtherance of the objects of NACVS.

c) Donations and similar incoming resources

Grants receivable are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with. Grants receivable in respect of certain activities are paid in relation to a given period such as a year and in these circumstances the grants are deferred to the extent that they relate to future accounting periods.

Grants received for specific projects are accounted for as restricted funds.

d) Operating activities in furtherance of the charity's objects

Income from operating activities is included in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001****1. Accounting policies - continued****e) Interest receivable**

Interest is included when receivable by the charity.

f) Resources expended

Expenditure that is directly attributable to specific activities has been included in those cost categories. Other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of staff time spent on those activities.

The following costs have been allocated to management and administration:

Salaries of:

Director and administrative staff - 10%

Assistant Director (Finance and administration) - 50%

Finance Co-ordinator - 100%

Overheads - 10%

All other staff costs and overheads have been allocated to costs of activities in furtherance of the objects of the charity.

Cost of generating funds

This includes the costs of the NACVS' Friends scheme and event and the cost of promotional items.

Operating activities

These are the direct and indirect costs of NACVS' work to meet its charitable objectives. They include the costs of specific projects as well as the cost of core services.

Management and administration

This includes the direct and indirect costs relating to external audit and to the constitutional and statutory requirements for managing the organisation.

g) Tangible fixed assets

Tangible fixed assets are included at original cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of fixed assets over their expected useful lives at the following annual rates:-

Leasehold land and buildings	-	14 years straight line
IT Equipment	-	3 years straight line
Office furniture	-	12.5% reducing balance
Fixtures and fittings	-	25% reducing balance

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001****1. Accounting policies - continued****h) Operating leases**

Rentals payable under operating leases are charged to the income and expenditure account as incurred over the term of the lease.

i) Pension costs

The charity has both a group personal pension plan and also contributes to employees' personal pension plans. Contributions are charged to the income and expenditure account as they become payable.

2. Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5.

3(a). Incoming resources by activity

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2001</u> <u>Total</u>	<u>2000</u> <u>Total</u>
	£	£	£	£
Grants, donations and similar incoming resources				
Core services	259,643	-	259,643	244,041
CVS development	-	130,992	130,992	150,608
Policy project	-	100,000	100,000	100,000
Voluntary & community sector				
basic skills & ESOL	-	20,699	20,699	-
NACVS development and collaborative work	-	-	-	11,003
Partnership development	-	10,000	10,000	-
Training and collaborative work	-	30,000	30,000	-
Social inclusion programme research	-	9,550	9,550	-
Short course programme bursaries	-	4,900	4,900	-
Accreditation project	-	-	-	23,719
Training grants	-	-	-	750
	<u>259,643</u>	<u>306,141</u>	<u>565,784</u>	<u>530,121</u>
Activities to further the charity's objects				
Membership	22,559	-	22,559	21,805
Circulation	23,284	-	23,284	21,907
Publications	14,072	-	14,072	12,815
Training and events	24,822	-	24,822	6,214
Conference	37,825	-	37,825	32,612
	<u>122,562</u>	<u>-</u>	<u>122,562</u>	<u>95,353</u>
Activities to generate funds	880	-	880	8,508
Investment income	12,758	-	12,758	3,761
	<u>395,843</u>	<u>306,141</u>	<u>701,984</u>	<u>637,743</u>

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS – continued****YEAR ENDED 31 MARCH 2001****3(b). Resources expended**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2001</u> <u>Total</u>	<u>2000</u> <u>Total</u>
	£	£	£	£
Cost of generating funds	5,844	-	5,844	13,678
Charitable expenditure				
Costs of activities in furtherance of the charity's objects				
Core Services	197,903	-	197,903	196,098
Circulation	10,679	-	10,679	11,405
Publications	15,396	-	15,396	5,278
Training & events	16,513	-	16,513	7,272
Conference	32,525	-	32,525	25,572
CVS development	-	136,121	136,121	135,262
Policy project	-	86,239	86,239	77,852
Voluntary & community sector basic skills & ESOL	-	19,621	19,621	-
NACVS development and collaborative work	-	8,404	8,404	-
Partnership development	-	10,000	10,000	-
Training and collaborative work	-	30,000	30,000	-
Social inclusion programme research	-	-	-	-
Short course programme bursaries	-	3,021	3,021	-
Accreditation project	-	-	-	23,018
Training grants	-	-	-	750
	<u>273,016</u>	<u>293,406</u>	<u>566,422</u>	<u>482,507</u>
Management and administration	52,474	1,000	53,474	52,912
Total resources expended	331,334	294,406	625,740	549,097

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001****4. Grants, donations and similar incoming resources**

	<u>2001</u> £	<u>2000</u> £
Unrestricted		
Home Office – Active Community Unit		
- Strategic grant	230,934	209,145
The Baring Foundation	18,750	-
National Westminster Bank plc	5,851	9,000
Other	4,108	10,646
	<hr/> 259,643 <hr/>	<hr/> 228,791 <hr/>
Restricted		
Home Office – Active Community Unit		
- Capital/one-off grant	-	11,003
- Policy project	100,000	100,000
- Partnership development	10,000	-
- Accreditation project	-	23,719
Department for Education and Employment		
- managed by NIACE		
Voluntary and community sector basic skills		
and ESOL fund.	20,699	-
National Lottery Charities Board	130,992	156,608
Lloyds TSB Foundation for England and Wales	30,000	-
Calouste Gulbenkian Foundation	9,550	-
Marks and Spencer plc	4,900	-
The Dulverton Trust	-	10,000
	<hr/> 306,141 <hr/>	<hr/> 301,330 <hr/>
Total	<hr/> 565,784 <hr/>	<hr/> 530,121 <hr/>

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001****5. Analysis of expenditure**

Expenditure can be categorised as follows:-

	<u>2001</u>	<u>2000</u>
	£	£
Cost of generating funds:-		
Staff costs	-	9,952
Other costs	5,844	3,726
	<u>5,844</u>	<u>13,678</u>
Cost of activities in furtherance of the charity's objects		
Staff costs	345,783	291,536
Other costs	211,163	190,971
Depreciation	9,476	-
	<u>566,422</u>	<u>482,507</u>
Management and administration		
Audit fees	2,600	2,700
Trustee board expenses	2,831	3,021
Accountancy fees	500	-
Staff costs	36,508	25,733
Premises costs	3,468	6,276
Other overhead costs	7,567	15,182
	<u>53,474</u>	<u>52,912</u>

6. Pension costs

NACVS makes payments on behalf of employees into individual personal pension plans and also its own group personal pension plan. The assets of these schemes are held separately from those of NACVS in independently administered funds. The pension cost charge in the income and expenditure account represents contributions payable by NACVS to the funds and amounts to £22,900 (2000 £19,999). There were contributions payable of £1,452 (2000: £Nil) at the year end and these are included in creditors.

7. Net income for the year is stated after charging:-

	<u>2001</u>	<u>2000</u>
	£	£
Trustees' remuneration (see note 8)	Nil	Nil
Auditors' remuneration:		
- External audit	2,600	2,700
- Other services	500	-
Operating lease rentals - equipment	8,976	8,976
- land and buildings	23,793	23,793
Depreciation of fixed assets	10,330	7,330

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001****8. Staff costs and trustees remuneration**

	<u>2001</u> £	<u>2000</u> £
Staff costs:		
Wages and salaries	341,008	294,518
Social security costs	33,387	24,813
Pension costs	22,900	19,999
	<u>397,295</u>	<u>339,330</u>

None of the trustees receive any remuneration in respect of their role as director/trustee of NACVS.

No employee earned more than £50,000 per annum (2000: Nil).

Travel and subsistence expenses totalling £2,162 were paid during the year to 14 trustees.

9. Staff number

The average number of full time equivalent employees during the year was made up as follows:

	<u>2001</u> Number	<u>2000</u> Number
Charitable activities	14	11
Management and administration	2	3
	<u>16</u>	<u>14</u>

10. Taxation

Since NACVS is a registered charity, its results for the year are not subject to corporation tax.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2001**

11. Tangible assets	Leasehold Land & Buildings	IT equipment	Office Furniture	Fixtures & Fittings	Total
Cost	£	£	£	£	£
At 1 April 2000	18,505	3,937	6,744	56,976	86,162
Additions	-	9,117	-	590	9,707
Disposals	-	-	(5,000)	-	(5,000)
At 31 March 2001	18,505	13,054	1,744	57,566	90,869
Depreciation					
At 1 April 2000	10,571	-	4,245	39,827	54,643
Disposals	-	-	(4,333)	-	(4,333)
Charge for the year	1,315	4,351	229	4,435	10,330
At 31 March 2001	11,886	4,351	141	44,262	60,640
Net book amount					
At 31 March 2001	6,619	8,703	1,603	13,304	30,229
At 31 March 2000	7,934	3,937	2,499	17,149	31,519

12. Commitments

Capital expenditure authorised by the Trustee Board but not provided in the accounts amounted to:-

	<u>2001</u> £	<u>2000</u> £
Contracted for	Nil	Nil

13. Debtors

	<u>2001</u> £	<u>2000</u> £
Amounts due within one year		
Trade debtors	3,785	11,602
Prepayments	7,822	436
	11,607	12,038
Amounts falling due after one year		
Other debtors	11,560	11,560
	23,167	23,598

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****FOR THE YEAR ENDED 31 MARCH 2001****14. Creditors: Amounts falling due within one year**

	<u>2001</u>	<u>2000</u>
	£	£
Accruals	28,996	28,104
Tax and Social Security	11,571	2,447
Deferred income (note 15)	156,442	47,492
	<u>197,009</u>	<u>78,043</u>

15. Deferred income

	<u>Grants donations and similar income</u>	<u>Operating activities</u>	<u>2001 Total</u>	<u>2000 Total</u>
	£	£	£	£
Balance at 1.4.00				
- as previously stated	101,872	17,492	119,364	37,435
Prior year adjustment (note 21)	(71,872)	-	(71,872)	(12,937)
- as restated	30,000	17,492	47,492	24,498
Receivable during the year	674,134	123,162	797,296	678,540
Income regarding 2001	(565,784)	(122,562)	(688,346)	(655,546)
Balance at 31.3.01	<u>138,350</u>	<u>18,092</u>	<u>156,442</u>	<u>47,492</u>

16. Obligations under operating leases

At 31 March 2001 the charity had annual commitments under non-cancellable operating leases as follows:-

	<u>Land and Building</u>		<u>Other</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Between two and five years	-	-	8,976	8,976
In over five years	23,793	23,793	-	-

17. Designated funds

The unrestricted funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustee Board for specific purposes.

	<u>Balance at 1.4.00</u>	<u>Additions</u>	<u>Utilised</u>	<u>Balance at 31.3.01</u>
	£	£	£	£
Funding for tangible assets	18,696	20,249	7,599	31,346

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****FOR THE YEAR ENDED 31 MARCH 2001****18. Restricted funds**

	Balance at <u>1.4.00</u> as restated £	Movement in Resources		Balance at <u>31.3.01</u> £
		<u>Incoming</u> £	<u>Outgoing</u> £	
Projects:				
CVS development	14,112	130,992	136,621	8,483
Policy project	21,648	100,000	86,739	34,909
Voluntary & community sector basic skills & ESOL	-	20,699	19,621	1,078
NACVS development and collaborative work	11,003	-	8,404	2,599
Partnership development	-	10,000	10,000	-
Training and collaborative work	-	30,000	30,000	-
Social inclusion programme research	-	9,550	-	9,550
Short course programme bursaries	-	4,900	3,021	1,879
	<u>46,763</u>	<u>306,141</u>	<u>294,406</u>	<u>58,498</u>

- CVS development project – supporting developing CVS and existing member CVS, promoting quality standards, promoting and supporting the use of IT by CVS.
- Policy project – expansion of NACVS to allow greater work on national policy work issues without adversely affecting existing work.
- Voluntary & community sector basic skills & ESOL – with the National Institute of Adult Continuing Education supporting CVS and their members working with disadvantaged groups on basic skills and ESOL.
- NACVS development and collaborative work – developing NACVS by equal opportunities training and improving the telephone system; collaborative work with NAVB and ACRE
- Partnership development – development work with NAVB and ACRE on a small grants programme to promote joint working at local level between CVS, Volunteer Bureaux and Rural Community Councils
- Training and collaborative work – work on the NACVS training strategy; collaborative work with other national organisations
- Social inclusion programme research - evaluating and reporting on the role of CVS in the Government's social inclusion programmes
- Short course programme bursaries – bursaries to enable CVS and other voluntary organisations to attend courses which form part of the NACVS short course programme

19. Endowment fund

The Sir John Wrigley Bequest was made in 1978 to the National Council for Social Services, and was invested. The investment was redeemed in 1995, producing £4,588 which was devolved to NACVS and awaits re-investment. The income from the bequest is to be used to assist the staff of CVS to take part in community work seminars, conferences and other training opportunities in the UK or in Europe.

NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**NOTES TO THE ACCOUNTS - continued****FOR THE YEAR ENDED 31 MARCH 2001****20. Analysis of accumulated fund balances between net assets as at 31 March 2001**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Funds</u>	<u>Total Funds</u>
	£	£	£	£
Tangible fixed assets	26,662	3,567	-	30,229
Current assets	170,729	191,143	4,588	366,460
Current liabilities	(60,797)	(136,212)	-	(197,009)
Total Net Assets	136,594	58,498	4,588	199,680

21. Prior year adjustment**Restatement of funds brought forward**

The comparative figures have been restated to correct two fundamental aspects in previous years' accounts where the financial statements did not comply with the Statement of Recommended Practice - Charities. These are in relation to accounting treatment for income and capital grants and they have been adjusted as follows:-

- a) Incoming resources totalling £46,763 were incorrectly treated as deferred income in the previous year. The donor had not specifically stated that the funds were to be utilised in future accounting periods and they should therefore have been recognised as incoming resources in the year of receipt, the resultant net incoming resources being the restricted fund balance to be carried forward.
- b) Incoming resources to be utilised for capital purposes were treated as deferred capital grants and an annual amortisation of capital grant was released to administration expenses. The accounting treatment has been amended to recognise the incoming resources in the year of receipt as restricted funds. The donors did not impose any restrictions on the use of the assets and therefore the trustees consider that the value of the fund should be treated as unrestricted, since the restriction was lifted once the funds had been spent in accordance with the donors' wishes. The value of the capital grants brought forward as at 1 April 2000 was £25,109 and has been adjusted to unrestricted funds.

Reanalysis of figures

Internal management and overhead recharges amounting to £27,800 were incorrectly treated as incoming resources in unrestricted funds. These items should have been deducted from staff and overhead costs in management and administration. The comparatives have been adjusted accordingly.