

**NATIONAL ASSOCIATION OF COUNCILS**  
**FOR VOLUNTARY SERVICE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2003**



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**FOR VOLUNTARY SERVICE**  
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**YEAR ENDED 31 MARCH 2003**

**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:-

H Catt – end of term September 2002  
M Eastwood – elected September 2002 (Chair)  
C Hailey  
J Hawkins – elected September 2002  
T Hazelgrove (Vice-chair)  
C Houston  
H Hughes  
R Jones  
M Martin – elected September 2002  
J Mordaunt – co-opted October 2002  
B Parkinson – elected September 2002 (Vice-chair)  
A Pryor – end of term September 2002  
J Rai (Treasurer)  
C Schwaller  
P Warburton – end of term September 2002  
H Williams – elected September 2002

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

**Company Secretary and Registered Office**

G Hind  
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 2003**

The trustees, who are also directors for the purposes of company law, are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2003.

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.

#### **Principal activity**

The principal activity of the charity is to establish and support, or aid in the establishment and support of, Councils for Voluntary Service or similar charitable organisations in England 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 our Associates and to represent their interests in a number of ways. By the end of the year, we had 281 full Members and 69 Associates. The CVS development team (funded by the Community Fund) worked with 70 new CVS, provided organisational development support and occasional crisis support to existing members, and worked to strengthen the use of ICT in the CVS network.

This was an important year for NACVS and its members with the publication of the Treasury's Cross Cutting Review on the Role of the Voluntary and Community Sector in Service Delivery and the review of voluntary sector infrastructure which followed this. NACVS has played an important role in the infrastructure review, with representation on the ACU-led Capacity Building Implementation Team and with the promotion and facilitation of debate in the CVS network.

Other key policy areas worked on during the year included the development of Local Strategic Partnerships, the Compact, the Criminal Records Bureau and the proposed merger of the Community Fund with the New Opportunities Fund.

The Action Learning for Managers project is now in its second year. Funded by the ACU and Lloyds TSB Foundation for England and Wales for three years, the project is an innovative partnership between NACVS, bassac, BTEG, Dial UK and Citizens Advice to provide Action Learning opportunities for managers from members of all five partners. Thirty introductory days were held during the year and seven sets are now in place. A number of other national organisations have now become involved in the project in order to widen access to this opportunity.

NACVS is the lead organisation working in partnership with Action with Communities in Rural England (ACRE) and Volunteer Development England (VDE) to administer the Partnership Development Fund (PDF). The PDF is a fund provided by the Active Community Unit (ACU) to encourage joint working on a local level between members of the three partners. The second round of grants was made during the year with 11 projects receiving funding. The third round of grants was also announced in February. An evaluation of the project is now underway.

NACVS and VDE also worked together on the distribution of the Emergency Fund for CVS and Volunteer Bureaux (VBx) in Crisis. VDE was the accountable body for this fund which distributed grants totalling £500,000 to nine CVS and 17 VBx.

## **NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2003 - continued**

#### **Review of activities - continued**

Another partnership project which began during the year was 'Lessons from the Field' which is looking at alternative models for the development of trustees in the local voluntary and community sector. This partnership is led by bassac and also includes the National Council for Voluntary Organisations (NCVO) and Charity Trustees Network.

We continued to provide a range of publications including *Circulation*, the Employment Handbook, the Trainers and Consultants Directory and good practice 'Guidelines' for CVS. With sponsorship from Alliance and Leicester we co-ordinated and advertised the Short (Training) Course Programme and administered a bursary fund to enable those in poorly funded organisations to attend. The NACVS website is well used by both member CVS and many other organisations and individuals. The average number of computers gaining access to the website was 26% higher than the previous year.

Once again NACVS held a successful Conference with sponsorship from NatWest. Delegate numbers increased to 400. Two Chief Officers' residential events were also held during the financial year. The second of these involved 100 Chief Officers of CVS and was preceded by an induction day for new Chief Officers and a meeting of black Chief Officers. NACVS also worked with a number of other organisations to provide a conference on developing the use of ICT in the voluntary and community sector. As well as these opportunities for face to face networking NACVS provided 11 email networks covering a range of topics including equalities issues. The Development Workers' Network and the Disability Network Group were two additions during the year.

As always NACVS' policy and development work was supported by a team of administrative and finance staff. As part of its work this team provides a front line service in dealing with enquiries from members and a wide range of statutory and voluntary organisations. Continuing improvements to NACVS' internal systems were hampered by staffing changes at management level. However, a significant advance was the start of development work on a new database, following the receipt of ACU capital funding. The database was completed in June 2003 and will enable not only improved management of internal information but, in the longer term, access to more information for the CVS network through the NACVS website.

Further details of the activities of NACVS during 2002/03 are given in the Annual Review. Copies of this are available from the Registered Office of NACVS.

#### **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.

#### **Review of financial performance**

Income for the year increased from £1,114,735 to £1,149,871. Income to unrestricted funds increased by approximately £129,000 while restricted income fell by £94,000. This is mainly explained by the ending of the Policy Project on 31 March 2002. The staff and other costs previously funded as part of this project are now covered by the strategic grant from the ACU.

Total expenditure increased from £970,533 to £1,064,887. While unrestricted spending increased by approximately £132,000, restricted spending fell by £38,000. Again the refunding of Policy Project costs from strategic funding is the main factor here.

## **NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2003 - continued**

#### **Review of financial performance – continued**

The surplus for the year of £59,011 for restricted funds relates mainly to the Policy project and the Database project. Income of £90,000 was received for the Database project but no expenditure appears in the year since depreciation on the database will not be charged until it comes into use. £40,000 of unused grant for the Policy Project was returned to the ACU in the year.

For the unrestricted funds the fact that expenditure has increased more than income means that the unrestricted surplus for the year has reduced from £29,117 in 2002/03 to £25,973, giving unrestricted funds of £191,684 at the year end.

The Trustee Board has decided that £44,218 of the unrestricted funds at 31 March 2003 should be designated for specific purposes. These are set out in note 17 to the accounts. The Board anticipates a shortfall on unrestricted funding in the year to 31 March 2003 and funds have been designated to cover this.

#### **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 £143,000 in 2003/04. 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. A deficit on unrestricted funds is anticipated for the year ended 31 March 2004 and so the Board has designated £25,000 of unrestricted funds to cover this shortfall. Details of the designated funds are given in note 16. Following the designation, 'free' reserves at the year end were £147,466. The charity has now therefore achieved the target reserves fund.

#### **Internal control and risk management**

During the year the trustees examined the major risks which the charity faces in relation to external factors and relationships, its governance and management, its internal operations and its business. The trustees considered the likelihood and the impact of the risks concerned materialising. They also reviewed the controls in place to control risk and agreed a number of additions to these. A system has been set in place whereby the management of risk will be reviewed by the staff management team every six months and by the Trustee Board every year.

The trustees continue to keep under review their systems of internal financial 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 issues by the Charity Commission.

#### **Investment Policy**

Under its 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 £17,897. Falling interest rates meant that bank interest was less than in the previous year despite higher bank balances. In the forthcoming year the trustees will be examining the use of alternative forms of investment.

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2003 – continued****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.

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.

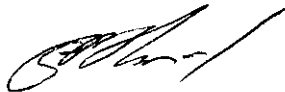
**Auditors**

The auditors, Barber Harrison & Platt, 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

G Hind  
Secretary



Sheffield

22 July 2003



## **INDEPENDENT AUDITOR'S REPORT**

To the members of NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

We have audited the financial statements on pages 8 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

This report is made solely to the Charitable Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

The Trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the Charitable Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Charitable Company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charitable Company's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charitable 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 Charitable Company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for 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

*Barber Harrison & Platt*  
*22 July 2003*

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 MARCH 2003**

	Note	Unrestricted Funds £	Restricted Funds (Note 18) £	Endowment (Note 19) £	2003 Total £	2002 Total £
<b>Incoming resources</b>						
Grants, donations and similar incoming resources	4	391,374	614,739	-	1,006,113	982,438
Operating activities in furtherance of the charity's objects		123,481	2,380	-	125,861	111,193
Activities to generate funds		-	-	-	-	360
Investment income		17,690	207	-	17,897	20,744
<b>Total incoming resources</b>	3(a)	<b>532,545</b>	<b>617,326</b>	<b>-</b>	<b>1,149,871</b>	<b>1,114,735</b>
<b>Resources expended</b>						
Cost of generating funds		9,098	-	-	9,098	4,035
<b>Charitable expenditure</b>						
Costs of activities in furtherance of the charity's objects		415,880	358,331	-	774,211	696,306
Grants payable	5	-	209,470	-	209,470	207,685
Management and administration	6	71,093	1,015	-	72,108	62,507
		<b>486,973</b>	<b>568,816</b>	<b>-</b>	<b>1,055,789</b>	<b>966,498</b>
<b>Total resources expended</b>	3(b)	<b>496,071</b>	<b>568,816</b>	<b>-</b>	<b>1,064,887</b>	<b>970,533</b>
<b>Net movement in funds for the year - net income for the year before transfers</b>	8	<b>36,474</b>	<b>48,510</b>	<b>-</b>	<b>84,984</b>	<b>144,202</b>
Transfers between funds	18	(10,501)	10,501	-	-	-
<b>Net income for the year</b>		<b>25,973</b>	<b>59,011</b>	<b>-</b>	<b>84,984</b>	<b>144,202</b>
<b>Funds as at 1.4.02</b>		<b>165,711</b>	<b>173,583</b>	<b>4,588</b>	<b>343,882</b>	<b>199,680</b>
<b>Funds as at 31.3.03</b>	20	<b>191,684</b>	<b>232,594</b>	<b>4,588</b>	<b>428,866</b>	<b>343,882</b>

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 2003**

	Note	2003		2002
		£	£	£
<b>Fixed assets</b>				
Tangible assets	12		67,918	24,004
<b>Current assets</b>				
Stock			50	50
Debtors	14	26,713		33,687
Cash at bank and in hand		487,031		394,476
		513,794		428,213
<b>Creditors: Amounts falling due within one year</b>	15	152,846		108,335
<b>Net current assets</b>			360,948	319,878
<b>Net assets</b>			428,866	343,882
<b>Accumulated funds</b>				
Unrestricted - General		147,466		135,666
- Designated	17	44,218		30,045
			191,684	165,711
Restricted	18		232,594	173,583
Endowment	19		4,588	4,588
	20		428,866	343,882

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 8 to 22 were approved by the Trustee Board on 22 July 2003 and are signed on its behalf by:-

J. RAI - Honorary Treasurer and Director

M. EASTWOOD - Chair and Director

*J. RAI*  
*M. Eastwood*

# NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE

## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 MARCH 2003

#### 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, 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.

##### e) Interest receivable

Interest is included when receivable by the charity.

##### f) Endowment fund income

The income from the Sir John Wrigley Bequest is included within restricted income when it becomes receivable.

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****1. Accounting policies - continued****g) 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:

Chief Executive and administrative staff - 10%

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 promotional items. The following have also been allocated to the cost of generating funds:

Salaries of:

Senior managers - between 4% and 6%

Policy and development officer: Policy and promotion - 5%

Administrative staff - between 1% and 2%

Overheads - 1%

**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.

**Grants payable**

This includes grants payable to organisations relating to the Partnership Development project.

**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.

**h) 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 and fittings	-	5 years straight line

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****1. Accounting policies - continued****i) Operating leases**

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

**j) 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**

	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
<b>Grants, donations and similar incoming resources</b>				
Core services	391,374	-	391,374	271,496
CVS development	-	145,819	145,819	148,141
Policy project (returned grant)	-	(40,010)	(40,010)	100,000
Voluntary & community sector basic skills & ESOL	-	-	-	39,395
Partnership Development Fund	-	239,215	239,215	240,000
Training and collaborative work	-	30,000	30,000	30,000
Social inclusion programme research	-	-	-	(1,694)
Short course programme bursaries	-	-	-	2,100
Action learning for managers	-	137,215	137,215	153,000
CVS emergency fund	-	12,500	12,500	-
Database development	-	90,000	90,000	-
	<b>391,374</b>	<b>614,739</b>	<b>1,006,113</b>	<b>982,438</b>
<b>Operating activities in furtherance of the charity's objects</b>				
Membership	27,644	-	27,644	26,162
Circulation	26,034	-	26,034	24,958
Publications	4,266	-	4,266	8,850
Training and events	35,599	2,380	37,979	17,576
Conference	29,938	-	29,938	33,647
	<b>123,481</b>	<b>2,380</b>	<b>125,861</b>	<b>111,193</b>
Activities to generate funds	-	-	-	360
Investment income	17,690	207	17,897	20,744
<b>Total incoming resources</b>	<b>532,545</b>	<b>617,326</b>	<b>1,149,871</b>	<b>1,114,735</b>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE**

**NOTES TO THE ACCOUNTS - continued**

**YEAR ENDED 31 MARCH 2003**

**3(b). Resources expended**

	Staff costs £	Other costs £	Depreciation £	Grants payable £	2003 Total £	2002 Total £
Cost of generating funds	5,779	3,209	110	-	9,098	4,035
Core Services	255,162	73,001	9,665	-	337,828	225,231
<i>Circulation</i>	-	11,263	-	-	11,263	12,001
Publications	-	11,321	-	-	11,321	14,837
Training & events	-	26,222	-	-	26,222	15,738
Conference	-	29,248	-	-	29,248	31,481
CVS development - first phase	-	-	-	-	-	8,483
CVS development - second phase	109,197	48,793	2,254	-	160,244	138,450
Policy project	-	-	-	-	-	94,399
Voluntary & community sector basic skills & ESOL	-	-	483	-	483	36,942
NACVS development and collaborative work	-	-	1,312	-	1,312	1,312
Partnership Development Fund	24,750	7,198	-	209,470	241,418	236,072
Training and collaborative work	20,298	-	-	-	20,298	25,472
Social inclusion programme research	-	-	-	-	-	7,856
Short course programme bursaries	-	903	-	-	903	3,076
Action learning for managers	92,457	36,643	1,160	-	130,260	52,641
Emergency fund for CVS and Volunteer Bureaux	12,306	194	-	-	12,500	-
Training assistance for CVS staff	-	381	-	-	381	-
Management and administration	43,024	27,998	1,086	-	72,108	62,507
	<u>562,973</u>	<u>276,374</u>	<u>16,070</u>	<u>209,470</u>	<u>1,064,887</u>	<u>970,533</u>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****4. Grants, donations and similar incoming resources**

	<u>2003</u>	<u>2002</u>
	£	£
<b>Unrestricted</b>		
Home Office – Active Community Unit		
- Strategic grant	342,934	230,935
The Baring Foundation	25,000	25,000
NatWest	6,000	5,851
Alliance and Leicester	6,400	-
Other	11,040	9,710
	<u>391,374</u>	<u>271,496</u>
<b>Restricted</b>		
Home Office – Active Community Unit		
- Policy project (returned grant)	(40,010)	100,000
- Partnership Development Fund	239,215	240,000
- Action learning for managers	137,215	53,000
- CVS Emergency fund	12,500	-
- Database development	90,000	-
Department for Education and Skills		
- managed by NIACE		
Voluntary and community sector basic skills		
and ESOL fund.	-	39,395
Community Fund	145,819	148,141
Lloyds TSB Foundation for England and Wales		
- Training and collaborative work	30,000	30,000
- Action learning for managers	-	100,000
Calouste Gulbenkian Foundation	-	(1,694)
Marks and Spencer plc	-	2,100
	<u>614,739</u>	<u>710,942</u>
<b>Total</b>	<u>1,006,113</u>	<u>982,438</u>



**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****5. Grants payable**

Grants were payable from the Partnership Development Fund. The Fund is run jointly by NACVS, ACRE and VDE with NACVS being the accountable body. Grants are paid for projects which encourage greater joint working between local voluntary infrastructure organisations.

	<u>2003</u>	<u>2002</u>
	£	£
BS 17 Voluntary Link	12,755	-
Bournemouth CVS	26,150	-
Bradford Community and Voluntary Service	11,550	-
Chester CVS	-	13,174
Chester-le-Street and District CVS and VB	-	7,400
Chiltern and South Bucks CVS	-	16,255
Community Council for Berkshire	15,800	-
Community Council of Shropshire	-	14,300
Cornwall Rural Community Council	17,640	-
CVS for Melton Borough	14,642	-
CVS Northampton and County	-	10,000
Derbyshire Dales CVS	1,968	-
Dorset Community Action	-	20,000
Droitwich Spa and Rural CVS	25,895	-
Ely and District CVS	-	17,170
Fenland VB	-	28,847
Glossop VB	-	12,660
Gloucester Centre for Voluntary Services	23,150	-
Humber and Wolds RCC	-	17,750
Mersey Volunteer Bureau	15,099	-
North Warwickshire VB	4,794	-
North Yorkshire Forum for Voluntary Organisations	3,095	-
Rugby CVS	-	9,145
Sevenoaks and District VB	-	9,250
South Bedfordshire Council of Voluntary Organisations	17,000	-
The Voluntary Network, Newmarket	-	14,250
Voluntary Sector Resource Agency		
Hammersmith and Fulham	19,932	-
Volunteer Centre, Tameside	-	17,484
	<hr/>	<hr/>
	209,470	207,685
	<hr/>	<hr/>

**6. Management and administration**

Audit fees	2,866	2,730
Trustee board expenses	8,864	4,384
Accountancy fees	600	1,000
Staff costs	43,024	45,248
Premises costs	3,222	3,118
Other overhead costs	12,446	4,288
Depreciation and loss on disposal of fixed assets	1,086	1,739
	<hr/>	<hr/>
	72,108	62,507
	<hr/>	<hr/>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****7. 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 **£31,048** (2002 **£26,028**). There were contributions payable of **£3,347** (2002: **£1,901**) at the year end and these are included in creditors.

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

	<u>2003</u>	<u>2002</u>
	£	£
Trustees' remuneration (see note 9)	Nil	Nil
Auditors' remuneration:		
- External audit	2,866	2,730
- Other services	600	1,000
Operating lease rentals - equipment	8,976	8,976
- land and buildings	23,793	23,793
Depreciation of fixed assets	16,070	20,447
	<u>          </u>	<u>          </u>

**9. Staff costs and trustees remuneration**

	<u>2003</u>	<u>2002</u>
	£	£
<b>Staff emoluments:</b>		
Wages and salaries	447,540	394,622
Social security costs	41,687	36,537
Pension costs	31,048	26,028
	<u>          </u>	<u>          </u>
	520,275	457,187
	<u>          </u>	<u>          </u>

**Other staff costs:**

Consultants' fees	18,254	24,898
Seconded staff	11,225	12,663
Agency staff	5,220	5,200
Recruitment	6,688	7,011
Other	1,311	992
	<u>          </u>	<u>          </u>
	42,698	50,764
	<u>          </u>	<u>          </u>

A member of staff has been seconded part-time from another voluntary organisation for 8 months in order to carry out work relating to the CVS development project and CVS emergency funding.

A number of staff were provided by an employment agency during the year to cover a vacant post.

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

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****9. Staff costs and trustees remuneration - continued**

No employee earned more than £50,000 per annum (2002: Nil).

Travel and subsistence expenses totalling £7,290 (2002: £4,365) were paid during the year to 15 trustees (2002: 14 trustees).

**10. Staff number**

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

	<u>2003</u>	<u>2002</u>
	<u>Number</u>	<u>Number</u>
Charitable activities	18	16
Management and administration	2	2
	<u>20</u>	<u>18</u>

**11. Taxation**

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

**12. Tangible assets**

	<u>Leasehold land &amp; buildings</u>	<u>IT equipment</u>	<u>Office furniture &amp; fittings</u>	<u>Total</u>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2002	18,505	27,736	55,022	101,263
Additions	-	59,548	436	59,984
Disposals	-	-	(4,000)	(4,000)
<b>At 31 March 2003</b>	<b>18,505</b>	<b>87,284</b>	<b>51,458</b>	<b>157,247</b>
<b>Depreciation</b>				
At 1 April 2002	13,201	13,596	50,462	77,259
Disposals	-	-	(4,000)	(4,000)
Charge for the year	1,315	11,210	3,545	16,070
<b>At 31 March 2003</b>	<b>14,516</b>	<b>24,806</b>	<b>50,007</b>	<b>89,329</b>
<b>Net book amount</b>				
<b>At 31 March 2003</b>	<b>3,989</b>	<b>62,478</b>	<b>1,451</b>	<b>67,918</b>
<b>At 31 March 2002</b>	<b>5,304</b>	<b>14,140</b>	<b>4,560</b>	<b>24,004</b>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****13. Commitments**

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

	<u>2003</u>	<u>2002</u>
	£	£
Contracted for	<u>36,346</u>	<u>Nil</u>

This expenditure will be funded by a grant.

**14. Debtors**

	<u>2003</u>	<u>2002</u>
	£	£
<b>Amounts due within one year</b>		
Trade debtors	10,307	2,024
Grants receivable	-	6,157
Prepayments	<u>4,846</u>	<u>13,946</u>
	<u>15,153</u>	<u>22,127</u>
<b>Amounts falling due after one year</b>		
Other debtors	<u>11,560</u>	<u>11,560</u>
	<u>26,713</u>	<u>33,687</u>

**15. Creditors: Amounts falling due within one year**

	<u>2003</u>	<u>2002</u>
	£	£
Trade creditors	76,304	29,106
Accruals	40,095	20,250
Tax and Social Security	15,739	22,747
Deferred income (note 16)	<u>20,708</u>	<u>36,232</u>
	<u>152,846</u>	<u>108,335</u>

**16. Deferred income**

	<u>Grants donations and similar income</u>	<u>Operating activities</u>	<u>2003 Total</u>	<u>2002 Total</u>
	£	£	£	£
Balance at 1.4.02	19,157	17,075	36,232	156,442
Receivable during the year	1,007,664	108,786	1,116,450	994,092
Income regarding 2003	<u>(1,006,113)</u>	<u>(125,861)</u>	<u>(1,131,974)</u>	<u>(1,114,302)</u>
<b>Balance at 31.3.03</b>	<u>20,708</u>	<u>-</u>	<u>20,708</u>	<u>36,232</u>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****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.

	Balance at 1.4.02 £	Additions £	Utilised £	Balance at 31.3.03 £
Funding for tangible assets	15,852	5,033	(10,860)	10,025
CVS development	10,000	-	(5,000)	5,000
Funding shortfall on administrative post	4,193	-	-	4,193
Shortfall on unrestricted funding for year ended 31 March 2004	-	25,000	-	25,000
	<u>30,045</u>	<u>25,033</u>	<u>(15,860)</u>	<u>44,218</u>

The balance of unrestricted funds at 31 March 2003 was £147,466 and this was very close to the target figure of £143,000 which the Board considers is necessary, as fully explained in the Trustees' Report.

**18. Restricted funds**

	Balance at 1.4.02 £	Movement in Resources		Transfer from Unrestricted funds £	Balance at 31.3.03 £
		Incoming £	Outgoing £		
<b>Projects:</b>					
CVS emergency fund	-	12,500	12,500	-	-
CVS development - second phase	19,362	145,819	160,759	10,476	14,898
Policy project (returned grant)	40,010	(40,010)	-	-	-
Voluntary & community sector basic skills & ESOL	3,531	-	483	-	3,048
NACVS development and collaborative work	1,287	-	1,312	25	-
Partnership Development Fund	3,928	239,215	241,418	-	1,725
Training and collaborative work	4,528	30,000	20,298	-	14,230
Database development	-	90,000	-	-	90,000
Short course programme bursaries	903	-	903	-	-
Training assistance for CVS staff	175	207	382	-	-
Action learning for managers	99,859	139,595	130,761	-	108,693
	<u>173,583</u>	<u>617,326</u>	<u>568,816</u>	<u>10,501</u>	<u>232,594</u>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****18. Restricted funds - continued**

- CVS emergency fund – a grants programme run jointly with VDE to support CVS and Volunteer Bureaux facing closure or serious cuts to core activities. VDE was the accountable body for this fund.
- CVS development project – supporting developing CVS and existing member CVS, promoting quality standards, promoting and supporting the use of IT by CVS. £10,476 has been transferred from the unrestricted fund to finance half the salary of an administration officer.
- Policy project – expansion of NACVS to allow greater work on national policy 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 – the original funding was provided for developing NACVS by equal opportunities training and improving the telephone system and for collaborative work with VDE and ACRE.
- Partnership development – a small grants programme run jointly with VDE and ACRE 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.
- Database development – the licensing and development of Sentences database software and purchase of related computer hardware. No depreciation was provided during the year as the development of the database was not complete at the year end.
- Short course programme bursaries – bursaries to enable CVS and other voluntary organisations to attend courses which form part of the NACVS short course programme.
- Training assistance for CVS staff – assistance for staff of CVS to take part in community work seminars, conferences and other training opportunities in the UK or in Europe.
- Action learning for managers – developing and providing action learning for managers of the members of NACVS and the partner organisations – bassac, BTEG, Dial UK and NACAB.

**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.

**20. Analysis of accumulated fund balances between net assets as at 31 March 2003**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Funds</u>	<u>Total Funds</u>
	£	£	£	£
Tangible fixed assets	10,025	57,893	-	67,918
Current assets	257,713	251,493	4,588	513,794
Current liabilities	(76,054)	(76,792)	-	(152,846)
<b>Total net assets</b>	<b>191,684</b>	<b>232,594</b>	<b>4,588</b>	<b>428,866</b>

**NATIONAL ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE****NOTES TO THE ACCOUNTS - continued****YEAR ENDED 31 MARCH 2003****21. Obligations under operating leases**

At 31 March 2003 the charity had annual commitments under non-cancellable operating leases as follows:-

	<b><u>Land and Building</u></b>		<b><u>Other</u></b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between two and five years	-	-	<b>8,976</b>	<b>8,976</b>
In over five years	<b>23,793</b>	<b>23,793</b>	-	-
	<hr/>	<hr/>	<hr/>	<hr/>