

REGISTERED COMPANY NUMBER: 2117940
REGISTERED CHARITY NUMBER: 296762

Report of the Trustees and
Audited Financial Statements For The Year Ended 31 March 2006
for
Association For Research In The
Voluntary And Community Sector (ARVAC)

SATURDAY



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COMPANIES HOUSE

Paul Perlin & Co
Chartered Accountants &
Registered Auditor
Trojan House
34 Arcadia Avenue
London
N3 2JU

Association for Research in the
Voluntary and Community Sector (ARVAC)

Contents of the Financial Statements
for the Year Ended 31 March 2006

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors'	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 13

Association For Research In The
Voluntary And Community Sector (ARVAC)

Report of the Trustees
for the Year Ended 31 March 2006

The Trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2006. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
2117940

Registered Charity number
296762

Registered office
2D Aberdeen House
22-24 Highbury Grove
London
N5 2EA

Trustees

S Howlett
C Rochester
F Poland
M Lenihan
A Terracciano
K Wilding
J Diamond
S Matthew
G Munro
J Grotz

Chair
Vice Chair
Treasurer
- resigned 9 11 05
- resigned 31 3 06

Co-opted
- appointed 30 11 05

Company Secretary
L A Symes

Auditors
Paul Perlin & Co
Chartered Accountants &
Registered Auditor
Trojan House
34 Arcadia Avenue
London
N3 2JU

Bankers

The Co-operative Bank
Albert Hall Building
High Street
Colchester
CO11JW

Association For Research In The
Voluntary And Community Sector (ARVAC)

Report of the Trustees
for the Year Ended 31 March 2006

REFERENCE AND ADMINISTRATIVE DETAILS

The Association for Research in the Voluntary and Community Sector (ARVAC) was incorporated under the Companies Act 1985 on 31st March 1987 no 2117940 and registered with the Charity Commissioners on 14th September 1987 no 296762. It is governed by its Memorandum and Articles of Association which states that unless the company decides otherwise, the number of committee members should not be less than seven or more than twenty. The company is managed by the Management Committee. Each year at the Annual General Meeting a chair, vice chair and treasurer are elected to hold office until the next AGM.

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, submit their Annual Report and their financial statements of the Association for Research in the Voluntary and Community Sector (ARVAC) (the Charity) for the year ended 31 March 2006. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in October 2000.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is controlled by its governing document, a deed of trust, and constitutes a company limited by guarantee, as defined by the Companies Act 1985.

Organisational structure

The Charity is administered by the Management Committee elected by and from the membership. They meet six times a year and focus on the strategic aspects of organisational development and operation. At present there is one Sub-committee focusing on financial and personnel issues and ad hoc strategic working groups are convened as necessary. A Director is appointed by the trustees to manage the day-to-day operations of the charity.

Risk Review

The management committee has conducted its own review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan, which will allow for diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

OBJECTIVES AND ACTIVITIES

The organisation is a charity and a company limited by guarantee, not having a share capital. It exists to promote effective community action through research with a focus on small community groups and those who support them. The Charity operates a number of projects to achieve this.

Volunteers

There are no volunteers.

Association For Research In The
Voluntary And Community Sector (ARVAC)

Report of the Trustees
for the Year Ended 31 March 2006

ACHIEVEMENT AND PERFORMANCE

Information Service

The Information Service collects examples of research carried out by community groups and collates studies of the voluntary and community sectors including evaluations of projects in many parts of the country. We have built up a unique database about community research, which can be accessed by phone, fax or email and we can also put community groups in touch with other sources of information, such as published statistics and the National Census data.

London Community Research Project

The London Community Research Project supports small groups who want to gather information about the community they serve so that they can develop the right services, raise the profile of their community, lobby local policy makers, get local people more involved or apply for funding. This is the final year of three year funding. It enables us to provide one to one input and training events with local umbrella organisations, to help with identifying research needs, planning research, data collection methods, collating and analysing data, how to write reports, how to present findings to different audiences and how to make use of findings.

Bulletin

The ARVAC Bulletin, a quarterly journal of research news, has continued to publish news of community research and other information that is useful to researchers in the community sector. ARVAC also provides a regular email circular with up to date news of conferences, seminars, consultations, calls for papers and research opportunities.

Publications

We have continued to sell copies of our publication 'Community Research - Getting Started', a resource pack that provides a guide for individuals and groups wanting to get started with a community research project.

FINANCIAL REVIEW

Reserves policy

Given the uncertainty in funding our policy is to ensure sufficient reserves to

- a) Ensure that delays in the receipt of promised income do not result in the Charity facing insolvency
- b) Meet statutory and contractual obligations including salary and redundancy
- c) Provide an option to delay the termination of services to our members and service users if services temporarily lose funding whilst having a good prospect of funding being released shortly
- d) Allow where possible for predictable but temporary increases in costs for which funds cannot easily be raised
- e) Provide a safeguard against unpredictable costs which cannot be insured against

ARVAC's management committee aims to achieve free reserves equivalent to six months expenditure, which for 2006/2007 will be £50,325. The current level of unrestricted reserves is £14,385. We will aim to increase the amount of reserves incrementally over the coming years until we have achieved the target level.

DEFICIT IN THE YEAR

This year there was a shortfall in funding for the Community Research Project because application for match funding were unsuccessful.

FUTURE DEVELOPMENTS

The Charity plans to continue the activities as outlined above in the forthcoming years subject to satisfactory funding arrangements. We would like to provide training in community research for trainers in second tier organisations, to extend the Community Research Project to areas beyond London and to develop the generic training course so that it can be provided in other London boroughs.

It has been recognised that ARVAC needs to work in partnership with other organisations to extend its reach and conversations have been held with the University of Brighton about extending the service offered of research material on the web. We have also been looking at continuing our conference and seminar programmes by working with other partners.

Association For Research In The
Voluntary And Community Sector (ARVAC)

Report of the Trustees
for the Year Ended 31 March 2006

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

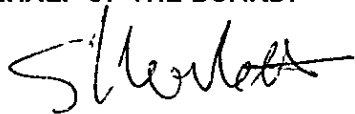
Members of the Management Committee

Members of the management committee, who are directors for the purpose of company law and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on Page 1.

AUDITORS

The auditors, Paul Perlin & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD.



S Howlett -Trustee

22 March 2007

Report of the Independent Auditors to the Trustees of
Association For Research In The Voluntary And Community Sector (ARVAC)

We have audited the financial statements of Association for Research in the Voluntary and Community Sector (ARVAC) for the year ended 31 March 2006 on pages seven to twelve. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditors' 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 trustees 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages one to four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

We have undertaken the audit with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note to the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2006 and of its deficit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Trustees is consistent with the financial statements.

Continuation of Auditors Report next page

Association For Research In The
Voluntary And Community Sector (ARVAC)

Statement of Financial Activities
for the Year Ended 31 March 2006

	Note s	Unrestricted funds £	Restricted funds £	31 3 06 Total funds £	31 3 05 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	42,033	-	42,033	41,000
Investment income	3	243	-	243	189
Incoming resources from charitable activities					
Directorate	4	6,079	-	6,079	8,170
London CRP		-	31,152	31,152	38,674
Information		-	15,000	15,000	5,417
Total incoming resources		48,355	46,152	94,507	93,450
RESOURCES EXPENDED					
Charitable activities					
Directorate	5	39,641	-	39,641	39,006
London CRP		-	41,342	41,342	40,982
Information		-	15,059	15,059	18,126
Governance costs	6	2,058	2,551	4,609	4,307
Total resources expended		41,699	58,952	100,651	102,421
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		6,656	(12,800)	(6,144)	(8,971)
Gross transfers between funds	13	(12,800)	12,800	-	-
Net incoming/(outgoing) resources		(6,144)	-	(6,144)	(8,971)
RECONCILIATION OF FUNDS					
Total funds brought forward		20,979	-	20,979	29,950
TOTAL FUNDS CARRIED FORWARD		14,835	-	14,835	20,979

Association For Research In The
Voluntary And Community Sector (ARVAC)

Balance Sheet
At 31 March 2006

	Note s	Unrestricted funds £	Restricted funds £	31 3 06 Total funds £	31 3 05 Total funds £
FIXED ASSETS					
Tangible assets	10	765	-	765	960
CURRENT ASSETS					
Debtors	11	7,264	-	7,264	3,263
Cash at bank and in hand		11,429	-	11,429	23,627
CREDITORS					
Amounts falling due within one year	12	(4,623)	-	(4,623)	(6,871)
NET CURRENT ASSETS		<u>14,070</u>	<u>-</u>	<u>14,070</u>	<u>20,019</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,835</u>	<u>-</u>	<u>14,835</u>	<u>20,979</u>
NET ASSETS		<u>14,835</u>	<u>-</u>	<u>14,835</u>	<u>20,979</u>
FUNDS					
Unrestricted funds				<u>14,835</u>	<u>20,979</u>
TOTAL FUNDS				<u>14,835</u>	<u>20,979</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Trustees on 22 March 2007 and were signed on its behalf by



S Howlett -Trustee

Notes to the Financial Statements
for the Year Ended 31 March 2006

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and the Statement of Recommended Practice, Accounting and Reporting by Charities

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005) and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost including VAT related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. These other costs are apportioned on the basis of the amount of time spent by staff on each activity

Directorate – 44%
London CRP – 50%
Information – 6%

Tangible fixed assets

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

Fixtures and fittings	-10% on cost
Computer equipment	-33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term whichever is shorter

Rentals paid under operating leases are charged to the statement of financial activity on a straight line basis over the period of the lease

Association For Research In The
Voluntary And Community Sector (ARVAC)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2006

2. VOLUNTARY INCOME

	31 3 06	31 3 05
	£	£
Grants	<u>42,033</u>	<u>41,000</u>

3. INVESTMENT INCOME

	31 3 06	31 3 05
	£	£
Deposit account interest	<u>243</u>	<u>189</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		31 3 06	31 3 05
	Activity	£	£
Membership	Directorate	5,280	7,555
Publications	Directorate	749	405
Miscellaneous income	Directorate	50	210
Miscellaneous income	London CRP	2,245	-
Grants	London CRP	28,907	38,674
Miscellaneous income	Information	-	3,750
Grants	Information	<u>15,000</u>	<u>1,667</u>
		<u>52,231</u>	<u>52,261</u>

The Restricted Grants received were from the following organisations

	Activity	
Community Fund	London CRP	£28,407
LVSC	London CRP	£500
City Parochial Foundation	Information	£15,000

5. BREAKDOWN OF COSTS OF CHARITABLE ACTIVITIES

	Direct costs	Total
	£	£
Directorate	39,641	39,641
London CRP	41,342	41,342
Information	<u>15,059</u>	<u>15,059</u>
	<u>96,042</u>	<u>96,042</u>

Association For Research In The
Voluntary And Community Sector (ARVAC)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2006

6 GOVERNANCE COSTS

	31 3 06	31 3 05
	£	£
Legal fees	65	29
Professional fees	1,544	1,223
Auditors' remuneration	<u>3,000</u>	<u>3,055</u>
	<u>4,609</u>	<u>4,307</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	31 3 06	31 3 05
	£	£
Auditors' remuneration	3,000	3,055
Depreciation - owned assets	901	812
Other operating leases	<u>11,191</u>	<u>11,191</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ending 31 March 2006 or for the year ended 31 March 2005

Travel and subsistence costs amounting to £158 (2005 - £139) were reimbursed to Trustees in the year

9. STAFF COSTS

	31 3 06	31 3 05
	£	£
Wages and salaries	56,903	49,368
Social security costs	<u>5,506</u>	<u>5,005</u>
	<u>62,409</u>	<u>54,373</u>

The average monthly number of employees during the year was as follows

	31 3 06	31 3 05
Directorate	1	1
Administration	-	1
London CRP	1	1
Information	<u>1</u>	<u>1</u>
	<u>3</u>	<u>4</u>

There were no employees whose emoluments were £50,000 or more

Association For Research In The
Voluntary And Community Sector (ARVAC)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2006

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2005	5,188	19,448	24,636
Additions	<u>-</u>	<u>706</u>	<u>706</u>
At 31 March 2006	<u>5,188</u>	<u>20,154</u>	<u>25,342</u>
 DEPRECIATION			
At 1 April 2005	4,815	18,861	23,676
Charge for year	<u>373</u>	<u>528</u>	<u>901</u>
At 31 March 2006	<u>5,188</u>	<u>19,389</u>	<u>24,577</u>
 NET BOOK VALUE			
At 31 March 2006	<u>-</u>	<u>765</u>	<u>765</u>
At 31 March 2005	<u>373</u>	<u>587</u>	<u>960</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 06 £	31 3 05 £
Amounts falling due within one year		
Trade debtors	4,001	-
Other debtors	<u>3,263</u>	<u>3,263</u>
	<u>7,264</u>	<u>3,263</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 06 £	31 3 05 £
Trade creditors	672	2,457
Taxation and social security	951	1,653
Other creditors	<u>3,000</u>	<u>2,761</u>
	<u>4,623</u>	<u>6,871</u>

Association For Research In The
Voluntary And Community Sector (ARVAC)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2006

13 MOVEMENT IN FUNDS

	At 1 4 05 £	Net movement in funds £	Transfers between funds £	At 31 3 06 £
Unrestricted funds				
Unrestricted	20,979	6,656	(12,800)	14,835
Restricted funds				
Restricted	-	(12,800)	12,800	-
TOTAL FUNDS	<u>20,979</u>	<u>(6,144)</u>	<u>-</u>	<u>14,835</u>

Net movement in funds, included in the above are as follows

	Incoming Resources £	Resources Expended £	Movement in funds £
Unrestricted funds			
Unrestricted	48,355	(41,699)	6,656
Restricted funds			
Restricted	46,152	(58,952)	(12,800)
TOTAL FUNDS	<u>94,507</u>	<u>(100,651)</u>	<u>(6,144)</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2005
Fund Balances as at 31st March 2006 are represented by:			
Tangible fixed Assets	765	-	960
Current Assets	18,693	-	26,890
Creditors Amounts falling due within one year	<u>(4,623)</u>	<u>-</u>	<u>(6,871)</u>
TOTAL FUNDS	<u>14,835</u>	<u>-</u>	<u>20,979</u>

There was a deficit of £12,800 of which the major amount related to London CRP. This has been funded by a transfer from Unrestricted Reserves.