



**MERSEYSIDE COUNCIL FOR
VOLUNTARY SERVICE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000

Company No 1792921

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

Company registration number: 1792921

Charity registration number: 515060

Registered office: Mount Vernon Green
Hall Lane
Liverpool
L7 8TF

Directors and trustees: Lord Alton of Liverpool
M A Ali
H J Dowell
J R Duggan
T Graham
B Hogan-Howe
C A Herbert
A T R Macfarlane
D A Mathieson
S McGrath
G Russell
A Samuels
N Scales
B H Wood

Secretary: M Pearson

Bankers: National Westminster Bank plc
22 Castle Street
Liverpool
L69 2BE

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

Solicitors:

Brabner Holden Banks Wilson
1 Dale Street
Liverpool
L2 2ET

Mace & Jones
Drury House
19 Water Street
Liverpool
L2 ORP

Auditors:

Grant Thornton
Registered Auditors
Chartered Accountants
1st Floor
Royal Liver Building
Liverpool
L3 1PS

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

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MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

REPORT OF THE DIRECTORS

The directors who are also trustees of the charitable company, present their report together with financial statements for the year ended 31 March 2000.

Principal activities

The company operates to promote charitable purposes for the benefit of the community in Merseyside and its surrounding area.

Review of operations

The environment in which the company operates continues to be challenging, although a number of opportunities have arisen from recent Government and other initiatives. The company has been able to take advantage of certain initiatives which has contributed to the significant increase in its charitable income in the year. Against this background the directors seek continually to fulfil the company's objectives with the resources that are available, and meet the increasing needs of the community.

The company benefited during the year from a donation of a building which after refurbishment has been included in unrestricted funds at an amount of £166,596. This forms part of the operating surplus for the year of £398,253. Although there are no donor restrictions attaching to the use or disposal of the building, the Homeground project will continue to operate and benefit from this valuable resource.

The result for the year was a surplus of £398,253 (1999: £51,867), of which £140,000 (1999: £25,000) was transferred to the contingency fund.

The Memorandum and Articles of Association prohibit the payment of a dividend.

The directors have prepared an Annual Review which provides details on all the operating activities of the charitable company, including achievements of the charity in furthering its charitable objectives, in accordance with the charity's governing document (Memorandum and Articles of Association).

Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year unless otherwise stated.

Lord Alton of Liverpool - Chairman
H J Dowell - Vice Chairman
B H Wood - Vice Chairman
A T R Macfarlane - Treasurer
P Acres - Resigned 28 January 2000
M A Ali
J R Duggan
T Graham
C A Herbert - Resigned 7 July 2000
B Hogan-Howe - Appointed 24 March 2000
D A Mathieson - Appointed 3 December 1999
S McGrath
G Russell
U D Russell - Resigned 3 December 1999
A Samuels
N Scales

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

REPORT OF THE DIRECTORS

Directors (continued)

B Hogan-Howe, D A Mathieson and R White have joined the Board since the last Annual General Meeting and, being eligible, offer themselves for re-election.

Reserves policy

It is the policy of the charity to hold reserves in its unrestricted funds, in order to establish an appropriate level of working capital and to protect the future operations of the charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. The trustees have established a contingency fund out of these reserves after undertaking an assessment of the charity's needs, and based upon the likely costs associated with a material reduction in the income stream of the charity. The aim is to build up a contingency fund of around £700,000 at current operating levels and to that end £140,000 (1999: £25,000) has been transferred from the surplus for the year creating a balance at 31 March 2000 of £320,000 (1999: £180,000).

Directors' responsibilities for the financial statements

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

- select suitable accounting policies and 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 company will continue.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Status

The company is a registered charity (number 515060).

The company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word 'Limited'.

Disabled employees and employee involvement

MCVS operates a policy of equal opportunities regardless of sex, sexual orientation, race, colour, nationality, religion, ethnic or national origins, disability or marital status, in respect of the people to whom it provides a service, its salaried staff and voluntary workers, job applicants for both salaried and voluntary posts, members of its Executive Committee and subsidiary committees.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

REPORT OF THE DIRECTORS

MCVS is much aware of the needs of disabled people and reviews ways in which practical assistance can be given by alteration to work sites. Care is taken to ascertain from new disabled employees, or from employees who may develop disabilities, what assistance they may require to enable them to fulfil their duties. Because of MCVS's commitment to disabled people, all MCVS advertisements for staff are eligible to carry the words "MCVS is working towards being an equal opportunities employer".

MCVS Investor in People (IiP) status was achieved in June 1997. The IiP standard is one an organisation has to keep striving for, and MCVS is confident that its staff will continue to rise to the challenge.

Employees are encouraged to participate actively in the running of MCVS via project, divisional and other special interest meetings. A communications group helps to ensure that information is made available to employees, and a regular newsletter is produced.

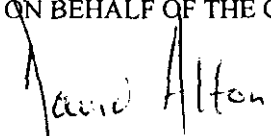
Year 2000

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE COMMITTEE


Lord Alton of Liverpool
Chairman
15th September 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 to 7.

Respective responsibilities of directors and auditors

As described on page 2, the directors, who also act as trustees for the charitable activities of Merseyside Council for Voluntary Service, for the purposes of company law 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.

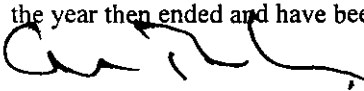
Basis of opinion

We conducted our audit in accordance with 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 judgements made by the directors 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 state of affairs as at 31 March 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LIVERPOOL**
15 September 2000

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and follow the recommendations in the Statement of Recommended Practice.

The principal accounting policies of the company have remained unchanged from the previous year. Accounting by Charities (the SORP) issued in October 1995. They have been prepared under the historical cost convention, apart from the revaluation of freehold property.

Income

All incoming resources apart from those resources designated to the asset reserve are credited to income in the period in which the related expenditure is incurred.

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies to which the charity is entitled are included in the statement of financial activities unless they are incapable of measurement.

Gifts-in-kind are accounted for at the trustees' estimate of value to the charity or sale value, as follows:

- assets received for distribution by the charity are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold
- gifts of fixed assets for charity use or funds for acquiring fixed assets for charity use are accounted for immediately on receipt.

Intangible income is valued and included in income to the extent that it is capable of measurement and represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Cash collected to which the charity is legally entitled but which has not been received at the year end is included as income.

Donations under deed of covenant together with the associated income tax recoveries are credited as income when the donations are received.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

PRINCIPAL ACCOUNTING POLICIES

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objective (direct charitable)
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity)
- expenditure incurred in the management and administration of the charity.

Fund accounting

Restricted funds are to be used for a specified purpose laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

Fixed assets

All items of capital expenditure incurred prior to 1 April 1990, whether purchased or donated, were charged against income in the period in which they were acquired. Subsequent to 1 April 1990 the company has capitalised all individual items of fixed assets in excess of £1,000 acquired after that date.

Depreciation

Depreciation is provided to write down the cost or valuation of fixed assets, excluding freehold land, over the life of those assets at the following rates:

Freehold buildings	2% on valuation
Leasehold improvements	Remaining life of leases
Motor vehicles	25% on cost
Fixtures, fittings and equipment	25% on cost

The company maintains its leasehold properties in accordance with the terms of the relevant leases.

Asset reserve

Where donors specify that their donation is for a restricted purpose, income received from donors for the purchase of fixed assets is transferred from the income and expenditure account to the asset reserve. The income is released to the income and expenditure account on the same basis as the depreciation charge, and is included in grants and donations. The asset reserve is a restricted fund.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

PRINCIPAL ACCOUNTING POLICIES

Stock

Stock is stated at the lower of cost and net realisable value.

Value added tax

The company is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

Pension costs

The company operates a defined contribution pension scheme. The contributions by the company to the scheme are fixed percentages of salary for all members which has the effect of defining the level of pension contribution without reference to actuarial assumptions.

Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximating to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2000

	Note	Unrestricted funds £	Restricted funds £	2000 Total funds £	1999 Total funds £
Income and expenditure					
Incoming resources					
Donations		251,175	349,814	600,989	425,190
Less: Deferred income		(34,743)	(125,081)	(159,824)	(131,198)
Project income		7,227,972	1,015,841	8,243,813	5,104,413
Less: Deferred income		(19,233)	(129,071)	(148,304)	(121,779)
Lottery funding		-	47,851	47,851	33,750
Investment income	1	8,242	-	8,242	7,933
Total incoming resources		<u>7,433,413</u>	<u>1,159,354</u>	<u>8,592,767</u>	<u>5,318,309</u>
Resources expended					
Direct charitable expenditure		6,802,159	1,140,655	7,942,814	5,049,843
Fund-raising and publicity		36,954	-	36,954	27,642
Management and administration		184,050	30,696	214,746	188,957
Total resources expended	2	<u>7,023,163</u>	<u>1,171,351</u>	<u>8,194,514</u>	<u>5,266,442</u>
Net income/(expenditure) resources being movement in funds	11	410,250	(11,997)	398,253	51,867
Funds at 1 April 1999		318,801	52,622	371,423	319,556
Funds at 31 March 2000		<u>729,051</u>	<u>40,625</u>	<u>769,676</u>	<u>371,423</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
Income		8,592,767	5,318,309
Operating expenses	2	<u>(8,194,514)</u>	<u>(5,266,442)</u>
Net surplus from operating charitable activities	5	398,253	51,867
Transfer to contingency fund		(140,000)	(25,000)
Net surplus for the year	11	<u><u>258,253</u></u>	<u><u>26,867</u></u>

There were no recognised gains or losses other than the surplus for the financial year.

All of the charitable company's principal activities continued in operation throughout the year.

The Income and Expenditure account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 17, provides full information on the movements during the year on all funds and analyses the expenditure incurred in the year.

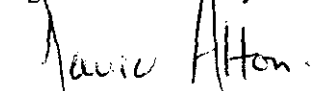
The accompanying accounting policies and notes form an integral part of these financial statements.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

BALANCE SHEET AT 31 MARCH 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible fixed assets	6		339,750		156,736
Investment	7		<u>499</u>		<u>499</u>
			340,249		157,235
Current assets					
Stock	8	30,549		41,986	
Debtors	9	1,187,161		1,223,571	
Cash at bank and in hand		<u>211,681</u>		<u>19,559</u>	
		1,429,391		1,285,116	
Liabilities					
Amounts falling due within one year	10	<u>999,964</u>		<u>1,070,928</u>	
Net current assets			429,427		214,188
Net assets			<u><u>769,676</u></u>		<u><u>371,423</u></u>
Funds					
Unrestricted	11		729,051		318,801
Restricted	11		<u>40,625</u>		<u>52,622</u>
			<u><u>769,676</u></u>		<u><u>371,423</u></u>

The financial statements were approved by the Board of Directors on 15th September 2000, and signed on its behalf by:



Lord Alton of Liverpool: Chairman
Director



A T R Macfarlane: Treasurer
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000	1999
		£	£
Net inflow/(outflow) from operating activities	13	345,176	(204,763)
Returns on investments and servicing of finance			
Interest received		8,242	7,933
Interest paid		<u>(771)</u>	<u>(366)</u>
Net cash inflow from returns on investments and servicing of finance		7,471	7,567
Capital expenditure			
Purchase of tangible fixed assets		(87,674)	(41,653)
Sale of tangible fixed assets		<u>300</u>	<u>-</u>
Net cash outflow from capital expenditure		(87,374)	(41,653)
Increase/(decrease) in cash	14	<u><u>265,273</u></u>	<u><u>(238,849)</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

1 INVESTMENT INCOME

Investment income comprises income from:

	2000 £	1999 £
Bank deposit	<u>8,242</u>	<u>7,933</u>

Income from investment assets is derived from within the United Kingdom.

2 TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	2000 Total £	1999 Total £
Direct charitable expenditure	4,328,760	67,044	3,547,010	7,942,814	5,049,843
Fund-raising and publicity	21,369	-	15,585	36,954	27,642
Management and administration of the charity	<u>129,246</u>	<u>-</u>	<u>85,500</u>	<u>214,746</u>	<u>188,957</u>
	<u>4,479,375</u>	<u>67,044</u>	<u>3,648,095</u>	<u>8,194,514</u>	<u>5,266,442</u>

3 EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	4,149,608	2,834,281
Social security costs	280,272	221,657
Other pension costs	<u>49,495</u>	<u>34,172</u>
	<u>4,479,375</u>	<u>3,090,110</u>

The number of employees earning over £40,000 p.a. excluding pension contributions was:

	2000 Number	1999 Number
£40,001 to £50,000	2	1
£50,001 to £60,000	<u>1</u>	<u>-</u>

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

EMPLOYEES (CONTINUED)

None of the directors received any remuneration in the year (1999: £Nil).

The average number of employees analysed by function was:

	2000	1999
Project staff	353	216
Fund-raising and publicity	1	1
Management and administration of the charity	6	6
	<u>360</u>	<u>223</u>

The company operates a defined contribution pension scheme, with contributions calculated as a fixed percentage of members salaries, in a fund independent of the company.

4 PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee or person with a family or other connection with a Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity. No expenses were reimbursed to the Trustees in the year.

5 NET SURPLUS FOR THE YEAR

The net surplus for the year is stated after charging:

	2000 £	1999 £
Hire of plant and equipment	66,938	78,222
Auditors' remuneration:		
Audit services	14,000	14,500
Non-audit services	7,205	8,405
Depreciation	67,044	62,159
Loss on disposal of fixed assets	-	465
Interest payable and similar charges on bank loans, overdrafts and other loans repayable within 5 years otherwise than by instalments	<u>771</u>	<u>366</u>
and after crediting:		
Surplus on disposal of fixed assets	<u>299</u>	<u>-</u>

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

6 FIXED ASSETS

	Total £	Freehold land and buildings £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings and equipment £
Cost or valuation					
At 1 April 1999	444,484	-	100,330	256,626	87,528
Additions	250,059	166,596	17,024	18,650	47,789
Disposals	(16,491)	-	-	(3,700)	(12,791)
At 31 March 2000	<u>678,052</u>	<u>166,596</u>	<u>117,354</u>	<u>271,576</u>	<u>122,526</u>
Depreciation					
At 1 April 1999	287,748	-	59,351	163,052	65,345
Charge for year	67,044	2,000	4,834	43,524	16,686
Disposals	(16,490)	-	-	(3,699)	(12,791)
At 31 March 2000	<u>338,302</u>	<u>2,000</u>	<u>64,185</u>	<u>202,877</u>	<u>69,240</u>
Net book amount at 31 March 2000	<u>339,750</u>	<u>164,596</u>	<u>53,169</u>	<u>68,699</u>	<u>53,286</u>
Net book amount at 31 March 1999	<u>156,736</u>	<u>-</u>	<u>40,979</u>	<u>93,574</u>	<u>22,183</u>

All of the fixed assets of the charity are used for the purposes of the charity's objectives.

The freehold land and buildings are included at 31 March 2000 based on open market value as determined by external valuers, Thomson & Moulton, Chartered Surveyors, Liverpool.

7 INVESTMENT

The amount represents the cost of 499 £1 shares (49.9%) of the Ordinary share capital of MCVS Educational Services Limited, a company incorporated in England and Wales. The company commenced trading on 1 August 1997, and produces accounts annually. At 31 July 2000 the company had shareholders' funds of £1,000.

	Aggregate of capital and reserve 2000 £	1999 £	Profit and loss for financial year 2000 £	1999 £
MCVS Education Services Limited	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2000**

8 STOCK

	2000 £	1999 £
Materials	<u>30,549</u>	<u>41,986</u>

9 DEBTORS

	2000 £	1999 £
Operating debtors and accrued income	1,092,233	1,086,255
Amounts due from associated company	35,718	24,551
Prepayments	56,091	27,658
Other debtors	3,119	85,107
	<u>1,187,161</u>	<u>1,223,571</u>

10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	-	73,151
Operating creditors and accruals	526,992	523,371
Deferred income and grants in advance	360,964	313,728
Supplier creditors	14,798	34,055
Social security and other taxes	97,210	126,623
	<u>999,964</u>	<u>1,070,928</u>

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

11 RESERVES

Unrestricted funds

	Main fund £	Contingency fund £	Total £
At 31 March 1999	138,801	180,000	318,801
Net surplus for the year	270,250	140,000	410,250
At 31 March 2000	<u>409,051</u>	<u>320,000</u>	<u>729,051</u>

Restricted funds

	2000 £	1999 £
At 31 March 1999	52,622	31,386
Movement in year	(11,997)	21,236
At 31 March 2000	<u>40,625</u>	<u>52,622</u>

The restricted fund represents the company's donated asset reserve. All assets in the restricted fund are used for charitable purposes within projects as specified by the donor.

12 OPERATING LEASES

At 31 March 2000, the company had annual commitments under non-cancellable operating leases as follows:

	2000 Leasehold properties £
Expiring within one to five years	30,525
Expiring after more than five years	<u>59,350</u>
	<u>89,875</u>

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

13 RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating surplus	398,253	51,867
Depreciation	67,044	62,159
(Surplus)/loss on disposal of tangible fixed assets	(299)	465
Decrease/(increase) in stocks	11,437	(12,358)
Decrease/(increase) in debtors	36,410	(635,341)
Increase in creditors	2,187	336,012
Interest received	(8,242)	(7,933)
Interest paid	771	366
Donation of tangible fixed assets (after depreciation)	(162,385)	-
	<u>345,176</u>	<u>(204,763)</u>

14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000 £	1999 £
Increase/(decrease) in cash in the period	265,273	(238,849)
Net funds at 1 April 1999	(53,592)	(292,441)
Net funds at 31 March 2000	<u>211,681</u>	<u>(53,592)</u>

15 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 1999 £	Cash flows £	At 31 March 2000 £
Cash at bank and in hand	19,559	192,122	211,681
Bank overdraft	(73,151)	73,151	-
	<u>(53,592)</u>	<u>265,273</u>	<u>211,681</u>

16 CONTINGENT LIABILITIES

The amount set aside in the Contingency Fund which forms part of the total Unrestricted Funds, is to meet expected expenditure on possible commitments and contingencies, in accordance with the company's reserves policy.

MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

17 CAPITAL COMMITMENTS

At 31 March 2000 there were capital commitments outstanding where expenditure had been authorised by the Board and contracted for, amounting to £3,404 (1999: £Nil).

18 TAXATION

The company is a registered charity under the Income and Corporation Taxes Act 1988 and no liability to taxation arises.

19 LIMITED LIABILITY

The liability of the company is limited by guarantee and each of the members undertakes to contribute up to £1 in the event of any deficiency arising on the winding up of the company.

20 RELATED PARTY TRANSACTIONS

M Pearson, Chief Executive of the company and P Devlin, an Assistant Chief Executive of the company, are Directors of the associate company, MCVS Educational Services Limited.

MCVS received from MCVS Educational Services Limited an amount of £139,029 (1999: £214,016) to cover the operating costs of that company for the period.

At 31 March 2000 the associated company owed the company £35,718 (1999: £24,551).