

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

**Financial Statements
For the year ended 31 March 2012**

Registered No: SC97679

Charity No: SC006923

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GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Financial Statements

For the year ended 31 March 2012

Contents	Page
Officers and professional advisers	1
Report of the members of the Board	2
Auditors' report to the members	9
Income and expenditure account	11
Statement of financial activities	12
Note of historical cost surplus	13
Balance sheet	14
Notes to the financial statements	15

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Legal and Administrative Information

Officers and Professional Advisers

Members of the Board

Name	Designation	Details
Anne Jarvie	Chairperson	
Loretta Gaffney		(resigned 9 December 2011)
Peter Kelly		(appointed 18 January 2011)
Gordon Kennedy		
Anne Strachan		(resigned 31 July 2011)
Ali Khan		(resigned 20 August 2012)
Dr Martin Johnstone		(resigned 20 September 2012)
Margaret McIntyre		(appointed 18 January 2011)
Alexander Meikle		(appointed 18 January 2011)
Helen Cunningham		(appointed 22 February 2012)
Sandy Farquharson		(appointed 9 December 2011)
Etta Dunn		(appointed 9 December 2011)
Duncan McTavish		(appointed 23 November 2011)
Shona Stephen		(appointed 9 December 2011)
Andrew Lyon		(appointed 22 February 2012)

Company Secretary

Helen Macneil

Registered Office

11 Queens Crescent
Glasgow
G4 9AS
www.gcvvs.org.uk

Scottish Charity No

SC006923

Company Registration Number

97679

Auditors

Scott-Moncrieff
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Co-operative Bank
29 Gordon Street
Glasgow
G1 3PF

Solicitors

T C Young & Son
7 West George Street
Glasgow
G2 1BA

Chief Executive Officer and Senior Management

The day to day management of the organisation is delegated by the Board to the following senior staff:

Chief Executive	Helen Macneil
Head of Operations	Helen Scammell
Head of External Relations	Elizabeth McEntee
Head of Finance	Pietro Sabatini

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

The members of the GCVS Board have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2012.

Governing document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Constitution

Glasgow Council for the Voluntary Sector is a company limited by guarantee. It is recognised as a charity for tax purposes by the Inland Revenue and by the Office of Scottish Charities Regulator.

The management of GCVS is the responsibility of the GCVS Board which is elected under the terms of the Articles of Association.

The Board of GCVS consists of 12 members, 8 of whom are elected through nomination by members for 3 year terms, and 4 who are appointed by the Board for between three and six years. All members of the Board have full voting rights. The GCVS Board operates collectively, and decisions are taken as a body. However, decisions need not be unanimous and members are bound by the decisions of the majority of trustees.

Administration

The company operates from premises at 11 Queens Crescent, Glasgow G4 9AS.

Recruitment, appointment and training of the Board

The members of the GCVS Board who served the company during the year were as shown on page 1.

New members are invited and encouraged to attend briefings and read background reports to familiarize themselves with the charity and the context within which it operates.

Statement of responsibilities of the members of the Board

Charity and company law requires the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficit for the year then ended.

In preparing those financial statements, the members of the Board are required to select suitable accounting policies as described on pages 15 and 16 and then apply them on a consistent basis, making judgements, estimates and decisions that are prudent and reasonable. The members of the Board must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members of the Board are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006. The members of the Board are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Supporting the GCVS Board, the Senior Management Team is responsible for the day to day running of the organisation and has delegated authority to make decisions relating to operational management.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

Disclosure of information to auditors

As far as each of the directors at the time the report is approved are aware:

- a) there is no relevant information of which the company's auditors are unaware and;
- b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

Objectives

GCVS exists to serve, shape and strengthen a strong, vibrant, inclusive voluntary and community sector in Glasgow, to enable the sector to make a positive impact on city life, and to deliver effective services to Glasgow's citizens, particularly to those who are most in need. GCVS plays a key role in facilitating the exchange of ideas and information, and the development and planning of joint action among voluntary organisations and statutory bodies, working with other voluntary and community sector agencies, to address the changing political, economic and cultural environment in the city.

In all that we do, GCVS is an organization which seeks to listen, learn and innovate, and respond to need. We work in ways that are inclusive, trustworthy, professional and based on shared principles.

As a membership organisation we consider our relationship with and accountability to our members as a major strength. We respect and value the major contribution our members and networks make to help create a fairer and more equal society. We engage and consult very actively with our member organizations and with special interest groups within the city, to disseminate information, support collective action, and promote equality and human rights

- We provide a range of services to support voluntary and community organisations to operate effectively and efficiently, and to help them reach their full potential
- We operate as a core member of the Third Sector Interface in Glasgow, sharing expertise and working collaboratively with other infrastructure partners in the city, to maximize our impact
- We provide co-ordination, representation and leadership, to seek to enhance the influence and impact which the Third Sector has on multi-sector partnership working, and the delivery of effective, high quality public services
- We work to raise the profile and develop a shared voice for the voluntary and community sector in the city

Operating Context

The operating environment for the Third Sector in Glasgow continued to be a challenging one in 2011/12, with a climate of continued financial uncertainty, as further budget cuts were made by many of the main public sector agencies in Glasgow, as UK-wide 'austerity measures' began to take full effect, and as major new UK Government initiatives like the Work Programme began to reduce still further the role and support activities delivered by local Third Sector organizations.

The majority of staffed voluntary and community organisations with whom GCVS worked reported that their reserves were reducing, that they were planning further cut backs in their services, and that many were implementing more short-term working, pay freezes and staff redundancies. GCVS continued to record a steady stream of Glasgow-based organisations forced to close down altogether in 2011/12, predominantly through lack of funds.

As a lead infrastructure agency within Glasgow, GCVS' strategic focus is on supporting the continued survival and sustainability of Third Sector services in the city, on helping organisations manage change successfully, and on strengthening third sector collective action and collective voice.

While the operating environment was challenging, throughout 2011/12 the policy environment began to offer greater choice to individuals - through national promotion of measures such as Self-Directed-Support (SDS) - and offered greater potential influence for Third Sector organisations, through planned changes in Community Planning and Community Empowerment, and through a major injection of 'Change Funds'

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

designated to fund early intervention measures in every local authority area in Scotland.

The Reshaping of Care for Older People (RCOP) Change Fund guidance gave Third Sector Interfaces a key 'partner' and leadership role, coordinating strong Third Sector input to new service plans, and gave the Third Sector access to a major new source of development funding. RCOP became a major focus of GCVS' work during 2011/12.

In June 2011 the Christie Commission published its recommendations for major re-design of public service delivery in Scotland, highlighting the vital role the Third Sector would need to play in future, both in service planning and in service delivery. The Scottish Government accepted Christie's recommendations in full, However, the impact of Christie will only be realised in future years.

Main Objectives for the Year

GCVS' key objectives during 2011/12 were :

- To support continuity of activity and of service delivery within the Third Sector, against a background of further cuts in public funding, and of major service redesign within the public sector infrastructure in the city;
- To sustain – and where possible expand and extend the overall quality and scope of advice, information and practical support services accessible by the Third Sector in Glasgow from GCVS and other Third Sector Interface sources;
- To be proactive in assisting Glasgow's community and voluntary organisations to manage change successfully, and to cope with reductions in their funding and increased levels of demand for their services;
- To strengthen relationships with other key infrastructure organisations locally and nationally
- To promote and support the work of the Third Sector Forum and strengthen the sector's collective voice, through the creation of a Third Sector Manifesto;
- To negotiate an active role for the Third Sector within RCOP planning, and co-ordinate a strong TS contribution to RCOP planning and delivery mechanisms;
- To continue to develop our Albany facility as a shared resource for the Glasgow Third Sector, promoting excellence and innovation;
- To support the ongoing development of Voluntary Action Scotland to represent the interests of the local voluntary and community sector strongly and effectively at national and government level

In line with other Councils for the Voluntary Sector across Scotland, GCVS has adopted a common framework through which we report our activities across 3 broad headings – our Thrive, Connect and Fit for Purpose agendas.

Delivering our 'Thrive' Agenda

'Thrive' reflects the extensive work we do to working with Third Sector organisations, providing them with an expanding range of practical and technical support services, to improve their management, governance and sustainability and to help them operate effectively, efficiently and safely, within recognized quality standards and regulatory frameworks, in order to meet local needs and fill local gaps.

During 2011/12 we worked closely with other development agencies in the city – and with key public agencies such as Community Planning to maximize the range and quality of support services accessible to third sector organisations, and continue our 'change management', organisational development (OD) and 'mainstreaming equalities' programmes.

'Back-Office Services'

Directly through our own specialist staff teams, we continued to provide a broad range of technical services which are very well used by our members and the wider sector. Our voluntary sector Payroll Services

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

supported over 260 organisations, and paid the wages of over 2,500 staff members in and around Glasgow working in the third sector. Our Independent Living Fund, Direct Payments and account management services supported over 600 people.

The Report to the Members of the Board

Through its helplines and face-to-face consultation service, EAS – our Employers Advice Service - continued to be a real life-line to hard-pressed Third Sector Managers and Boards, helping them to maintain good quality HR practice, even as their resources and funding were reduced. During 2011/12 EAS expanded its portfolio of Health and Safety services in line with demand from the sector, delivered an active programme of training and best practice workshops, and answered 950 requests for help.

As well as providing Information and Communication Technology technical support for GCVS' own internal systems, our ICT Officer is available to help our member organisations with their hardware and software purchases and installations, to upgrade systems and to trouble-shoot when problems arise. 20 organisations received regular maintenance support, with additional one-off support offered to many more, during 2011/12.

Capacity Building and Organizational Development

We further expanded our capacity building services in 2011/12 and particularly focused our support on the unstaffed sector and on smaller, locally based organisations which were facing particular difficulty in sustaining their activities. We designed and opened a new Glasgow Funding Portal, with co-funding from Glasgow Community Planning; this was used intensively by over 200 organisations in the first 9 months of operation. We also instigated an intensive new suite of services for groups, in addition to the mainstream work we undertook over the period providing over 100 organisations with individual customized support on charity law, legal structures and constitutions, improving governance and strategic planning. We also piloted work on Scottish Charitable Incorporated Organisations (SCIO) with over 20 groups.

Learning, Continuous Professional Development (CPD) and Workforce Development (WFD)

We continued to promote a wide range of learning initiatives to our members and networks, with over 40 specialist learning events – run by us and by our members and partner agencies - located within the Albany Centre. We ran an active short-course and bespoke training programmes for boards, staff and managers, with over 60 short training courses delivered, including a very popular programme on 'New media'.

GCVS' WFD programme included providing CPD to literacy and community learning staff in the city, and, in a new initiative, we supported a new multi-sectoral Community Learning Network. We again secured funds from Glasgow Community Planning to deliver invaluable Change Management support, to help our members address key issues around commissioning and tendering, and to explore the potential for mergers and consortia. We worked with Community Enterprise in Scotland (CEiS) to deliver an active programme of events for social enterprises.

Our SVQ Centre, which has operated for over 15 years, offers targeted Modern Apprenticeships, CPD and work-place specific qualifications to over 140 candidates each year. To reduce a major operating deficit which occurred during 2011/12, the Centre had to be significantly re-structured, with a new business model being put in place to ensure its continued survival.

Mainstreaming Equalities

We continued to deliver our 'Mainstreaming' programme across Scotland, helping organisations deliver inclusive and high quality services in keeping with their legislative and operational requirements. We were asked during 2011/12 to develop a Statement of Principles on Equalities on behalf of the Third Sector in Scotland, along with a suite of on-line resources. Subsequently our national role as a lead agency in the field of equalities was further recognized when we won a UK-wide tender to produce guidance on Equalities and Human Rights to the UK Third Sector.

The Albany Centre

The Albany has gone from strength to strength, as a flagship Third Sector location, and as a means of bringing the Third Sector together, within a well-appointed, comfortable, low-cost and friendly environment, to meet and network together, to talk, to learn from each other. During 2011/12 GCVS received Growth Fund funding from the Scottish Government, to upgrade our training facilities and develop a programme of community based events and training.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

Service losses : Employability and Organizational Development programmes

With the establishment of the new UK Department for Work and Pensions (DWP) Work Programme in June 2011, 'Progress to Work' our specialist service, for people with long-term addictions closed, and for the first time in 12 years, GCVS ceased delivering any employability programme activity, at a time when there is both record youth unemployment and rising adult unemployment.

In addition, and without any warning, because of a change in their priorities, and a move away from direct support to the Third Sector, in April 2011 NHS Greater Glasgow and Clyde withdrew funding with immediate effect from our highly acclaimed, well-evaluated flagship OD programme 'Healthy Organizations', leaving over 50 health-based organizations without much-needed, high-level technical support.

Thrive Summary

Overall, throughout the year 2011/12, GCVS provided in-depth specialist technical support to well over 1,000 separate organisations in Glasgow and environs. Our work helped many thousands of volunteers, staff members, managers and Board members of Glasgow's Third Sector to access continuous professional development opportunities, to up-skill and seek to ensure that they could continue to meet need, offer high quality provision and cope with an ever-changing and ever more challenging environment.

Delivering our 'Connect Agenda

'Connect' reflects the work we do to support strong, collective input by the sector to partnership activity, coordinating and linking organisations together and providing opportunities for networking and joint working. It encompasses our communications activity, and reflects the key representational and facilitation role we play, undertaking consultation and stimulating discussion and debate, seeking to engage the sector effectively with public agencies and impact on public service delivery in the city.

Communications and Policy Work

Within our Policy and External Relations Teams, a key priority during 2011/12 was to provide accurate and timeous information to the sector, particularly seeking to keep them abreast of the substantial changes taking place over the year within public sector structures programmes, and informing them of changes to personnel, policies and processes, happening at local, city-wide and national level.

In recognition of the growing needs of our members, we increased the frequency of our e-bulletin communications with them, and improved the member 'offer' on our services, to encourage greater uptake. We also increased the nature and frequency of our communications with the wider TS in Glasgow through our 'Special Events' programme, our newsletter Interchange, and through our three equalities, funding and jobs e-bulletins.

We updated our web content daily, and promoted greater interactivity with our web users, including the development of social media. We provided monthly Policy Briefings, and weekly bite-sized news snippets, and undertook a wide range of consultations with our members and key networks, to sound out their views.

Reshaping Care for Older People (RCOP), a new Scottish Government initiative intended to promote an early intervention agenda, took up a significant element of staff time during 2011/12, as we put in place the consultative mechanisms to ensure a strong voice for the Third Sector, and as we sought the funding and dedicated resources required, to enable the Sector to engage effectively in Community Capacity Building (CCB) initiatives, with the objective of growing a new generation of locally-based services over the 4-year life of the Change Fund.

Research

We continued to update and capture new data on the broad range of TS staffed and unstaffed organisations in the city, through our mainstream Infobase / Engage data sets. In support of our co-ordination and advocacy role for the Glasgow Third Sector, we produced a report on 'The State of the Sector' 2012, and gave numerous briefings and impact analyses to MSPs, Councillors, Policy Officers, researchers, consultants and academics, to reflect the sector's positive contribution and vulnerable position.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

Through 'Source' – our specialist third sector Research consultancy - we also planned and undertook a major comprehensive data capture on the broad range of TS activity which was providing support to older people in the city. Over 300 organisations participated, providing a wealth of completely new information.

Glasgow Third Sector Interface Activity

The development and establishment of a strong, effective, inclusive Third Sector Interface (TSI) was a major organisational objective supported through both our Thrive and Connect activity, pursued by all our staff and our Board throughout 2011/12.

During 2011/12 we fully implemented our TSI Agreement and delivered our Business Plan jointly with the Volunteer Centre Glasgow, (VCG) and Community Enterprise in Scotland, (CEiS). Altogether we successfully carried out the 3 support functions of an Interface – voluntary and community sector support, social enterprise support and volunteering development.

During 2011/12 GCVS very actively supported the successful development of the 4th TSI function - positive engagement of the Third Sector with Community Planning (CP) – by supporting the establishment and smooth running of the Third Sector Forum (TSF) through which consultation took place with the wider Third Sector in Glasgow, and by helping co-ordinate and support the work of the Third Sector Executive Committee (TSEC), the range of representative networks and fora in the city which oversaw CP engagement and representation.

GCVS also hosted the TSF development worker and managed the Forum's budget and work programme as well as making a positive and proactive input to the TSEC, by using GCVS' resources and capacity to consult and survey its members, thus providing the TSEC with hard information and data, to help it engage effectively and meet its objectives.

Our 'Fit for Purpose' Activity

'Fit for Purpose' reflects the internal activity GCVS undertakes to ensure that as a lead Third Sector organisation in the city we have strong, effective governance, leadership and management, that we operate within a clear strategic policy framework, that we have financial, management and organisational systems and processes which are robust, that we manage risk effectively and that we are capable of reacting and adapting to the changing external environment.

Our Corporate Services Team continued to provide internal HR, IT, finance and administrative support services to GCVS staff and to the Board, and to provide IT and administrative assistance, office support, equipment and room hire services to our members.

We continued to operate from two locations - Queens Crescent, where all our back-office services are located, and the adjacent Albany Learning and Conference Centre, where our 'front of house', customer-facing services and membership activities are located. Through Growth Fund funding we have been able to upgrade the facilities within the Albany, improving our accessibility, our ICT capacity, and our booking system.

Having secured European Framework for Quality Management (EFQM) 'Committed to Excellence' status in February 2011, we set about securing renewal of our IIP status during 2011/12. As part of our work on this, we instituted a bi-monthly schedule of All-Staff Meetings, and improved our internal communications process. We secured a very positive IIP renewal report in March 2012, highlighting as real organisational strengths the leadership skills of senior managers, and the inbuilt culture of learning.

Despite a difficult financial operating environment, the closure of our employability and Health Organizations OD Programmes, and the end of the Big Lottery Fund SVA Programme, we successfully retained a broad funding base, which has enabled us to better spread financial risk. We succeeded in developing greater expertise in tendering, and secured a number of contracts through public procurement portal processes.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

Risk Management

GCVS has operated within a robust Risk Management Framework for many years, with strict controls in place to identify and assess risks, and minimize their impact. Our systems and processes were updated and expanded in 2011, as part of the EFQM implementation process. From that point on, risk assessment and risk management became a whole-organisation activity and were embedded within all individual and team reporting processes across GCVS. They now form a formal part of every support and appraisal session which staff undertake. This has played an important part in helping GCVS sustain its funding base and maintain its broad work portfolio.

Reserves policy

The Board has reviewed the position and, have set aside £126,501 (see note 16 of the accounts) to meet funding gaps and any other unexpected cash-flow demands.

Financial Results

The financial results for GCVS are set out in the attached financial statements. The Income and Expenditure Account on page 11 shows a deficit of £80,874 was incurred in the year ended 31 March 2012 (2011: surplus of £144,964). The Statement of Financial Activities on page 12 shows a net movement of funds of £8,844 (2011 : £911,961)

Core funding that we receive from public agencies continues to be inadequate to meet the expenditure we incur in delivering core CVS services to Glasgow based organisations. Self-generated funds were used to subsidise this shortfall which in turn leaves less funding than would otherwise be available to finance GCVS's programme for investment and growth.

During the year GCVS' pension scheme asset improved by £134,000 resulting in a pension asset of £536,000 at the end of the year.

Given the difficult prevailing economic circumstances caused by the continuing recession, the forecast reduction in public sector spending over the next number of years, and increasing potential pension liabilities, the GCVS Board has agreed that the organisation must continue its drive to reduce its operating costs, and focus on generating surpluses to build its reserves over the next 5 year period.

Auditors Re-appointment

A resolution proposing that Scott Moncrieff, Chartered Accountants, be reappointed as auditors of the charitable company will be put to the Annual General Meeting of GCVS.

Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.



Helen Macneil Company Secretary

Dated: 23 November 2012

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

The Report to the Members of the Board

Independent Auditors' Report to the Members of the Board and co-members of Glasgow Council for the Voluntary Sector for the year ended 31 March 2012

We have audited the financial statements of Glasgow Council for the Voluntary Sector for the year ended 31 March 2012 which comprise the Income and Expenditure Account, Statement of Financial Activities, Note of the Historical Costs Surplus, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's members, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members of the board and auditors

As explained more fully in the Statement of responsibilities of the members of the board, set out on page 2, the members of the board (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)", in the circumstances set out in note 7 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members of the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report to the members of the board to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Independent Auditors' Report to the Members of the Board of Glasgow Council for the Voluntary Sector (continued) For the year ended 31 March 2012

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report to the Members of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members of the board were not entitled to prepare the financial statements in accordance with the small companies' regime.

Scott-Moncrieff

Gillian Donald, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 23 November 2012

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Income and Expenditure Account For the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover		1,831,731	2,412,010
Total Income		1,831,731	2,412,010
Staff costs		1,299,621	1,400,298
Property costs		84,128	98,182
Administration costs		482,476	706,122
Depreciation		61,613	80,031
Governance costs		12,156	11,056
Other operating charges		695	749
		1,940,689	2,296,438
Operating (deficit)/surplus before interest		(108,958)	115,572
Interest receivable and similar income	3	28,084	29,392
(Deficit)/surplus on ordinary activities after interest	17	(80,874)	144,964

The notes on pages 15 to 25 form part of these financial statements

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Statement of Financial Activities For the year ended 31 March 2012

	Notes	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources						
Income from generated funds						
- Voluntary income	2	343,651	-	-	343,651	512,601
- Investment income	3	28,084	-	-	28,084	29,392
Incoming resources from charitable activities	4	908,484	-	579,596	1,488,080	1,899,410
Total incoming resources		1,280,219	-	579,596	1,859,815	2,441,403
Resources expended						
Cost of generating funds						
- investment management		695	-	-	695	749
Charitable activities	5	1,474,241	(44,171)	441,772	1,871,842	1,915,637
Governance costs	6	12,156	-	-	12,156	11,056
Total resources expended		1,487,092	(44,171)	441,772	1,884,693	1,927,442
Net (outgoing)/incoming resources before transfers	7	(206,873)	44,171	137,824	(24,878)	513,961
Transfers between funds	18	206,873	(73,382)	(133,491)	-	-
Loss on revaluation of fixed assets	9	-	(23,278)	-	(23,278)	-
Actuarial gain on pension scheme	19	-	57,000	-	57,000	398,000
Net movement in funds		-	4,511	4,333	8,844	911,961
Balances brought forward		-	2,331,547	10,205	2,341,752	1,429,791
Balances carried forward	18	-	2,336,058	14,538	2,350,596	2,341,752

All the activities of the charitable company are classed as continuing.

The notes on pages 15 to 25 form part of these financial statements

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Note of the Historical Cost Surplus For the year ended 31 March 2012

	Notes	2012 £	2011 £
Reported (outgoing)/incoming resources on ordinary activities		(24,878)	513,961
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount		12,135	24,227
Actuarial gain on pension scheme	19	57,000	398,000
Historical cost incoming resources on ordinary activities		<u>44,257</u>	<u>936,188</u>

The notes on pages 15 to 25 form part of these financial statements

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

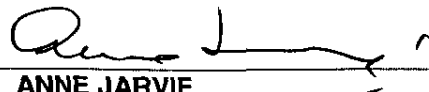
Balance Sheet As at 31 March 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		1,537,747		1,637,844
Current assets					
Debtors	10	227,622		234,534	
Cash at bank and in hand		610,343		559,797	
		837,965		794,331	
Creditors: Amounts falling due within one year	11	(357,763)		(249,074)	
Net current assets			480,202		545,257
Total assets less current liabilities			2,017,949		2,183,101
Creditors: Amounts falling due after one year	11		(203,353)		(243,349)
Net assets excluding pension asset			1,814,596		1,939,752
Pension asset	12, 19		536,000		402,000
Net assets including pension asset			2,350,596		2,341,752
Funds					
Unrestricted funds:					
General			-		-
Designated:					
- other reserves			1,744,405		1,683,787
- revaluation reserve			591,653		647,760
	16		2,336,058		2,331,547
Restricted funds			14,538		10,205
	18		2,350,596		2,341,752

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were authorised for issue by the Board on 23 November 2012 and are signed on their behalf by:


HELEN CUNNINGHAM
Treasurer


ANNE JARVIE
Chairperson

Company Registration Number: SC 97679

The notes on pages 15 to 25 form part of these financial statements

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The financial statements are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Going Concern

Glasgow Council for the Voluntary Sector has sufficient financial resources together with medium term projects across the business. As a consequence, the board members believe that the charitable company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The board members have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Resources expended

Expenditure represents costs incurred in the furtherance of the charity's objectives and expenses incurred in running the charity and are directly allocated to the activity to which it relates.

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource with the exception of capital grants. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

1. Accounting policies (contd)

Fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principle rates in use are:

Freehold buildings	4% straight line
Fixtures and fittings	15% straight line
Office equipment	25% straight line

Taxation

No taxation is payable as the entity is recognised by HM Revenue & Customs as a charity.

Pension (Note 19)

The charity operates a defined benefit pension scheme. Employer contributions to this fund are charged to the Statement of Financial Activities and are included within staff costs. Movements in the overall position of the defined benefit pension fund are included in the Statement of Financial Activities after the net surplus or deficit for the year.

Internal transfers

Internal transactions are adjusted as a single transfer between funds.

Fund accounting

Unrestricted funds are available for use at the discretion of the members in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve. Designated funds are unrestricted funds earmarked by the Members of the Board for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2. Income from generated funds – voluntary income

	Unrestricted funds general £	Unrestricted funds designated £	Restricted Funds £	Total 2012 £	Total 2011 £
Scottish Government	120,329	-	-	120,329	111,800
Other	13,538	-	-	13,538	7,000
Glasgow City Council	76,744	-	-	76,744	93,430
Future Jobs Funding	6,720	-	-	6,720	263,577
Fairer Scotland Fund	13,000	-	-	13,000	12,000
Donations and membership fees	25,220	-	-	25,220	28,566
Community Planning Partnership	-	-	-	-	(3,772)
Change fund	88,100	-	-	88,100	-
	<u>343,651</u>	<u>-</u>	<u>-</u>	<u>343,651</u>	<u>512,601</u>

3. Investment income

Bank interest receivable	<u>28,084</u>	<u>-</u>	<u>-</u>	<u>28,084</u>	<u>29,392</u>
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GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

4. Incoming resources from charitable activities

	Unrestricted funds general £	Unrestricted Funds designated £	Restricted funds £	Total 2012 £	Total 2011 £
Future Jobs Funding	-	-	785	785	330,750
Training Accord Group	-	-	127,359	127,359	51,473
Glasgow City Council	-	-	282,288	282,288	153,852
Other	5,400	-	-	5,400	2,950
Income from services	549,192	-	-	549,192	731,992
New deal	38,376	-	-	38,376	136,775
Training income	157,863	-	1,800	159,663	186,134
Project Funding (PASIL)	138,347	-	-	138,347	151,183
CLD	-	-	13,100	13,100	48,050
Scottish Voluntary Action	-	-	54,264	54,264	106,251
Change fund	-	-	100,000	100,000	-
Job fund	19,306	-	-	19,306	-
	<u>908,484</u>	<u>-</u>	<u>579,596</u>	<u>1,488,080</u>	<u>1,899,410</u>

The turnover figure as disclosed in the income and expenditure account incorporates the voluntary income of £343,651 together with the charitable activities income of £1,488,080.

5. Charitable activities	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2012 £	Total 2011 £
Staff costs	1,112,812	(77,000)	186,809	1,222,621	1,010,298
Property costs	84,128	-	-	84,128	98,182
Admin	227,530	-	254,946	482,476	706,122
Depreciation	49,771	32,829	17	82,617	101,035
	<u>1,474,241</u>	<u>(44,171)</u>	<u>441,772</u>	<u>1,871,842</u>	<u>1,915,637</u>

6. Governance costs

Audit fee	10,824	-	-	10,824	10,642
Board expenses	357	-	-	357	61
Consultancy	975	-	-	975	353
	<u>12,156</u>	<u>-</u>	<u>-</u>	<u>12,156</u>	<u>11,056</u>

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

7. Net (outgoing)/incoming resources	2012	2011
The net movement is stated after charging:	£	£
Depreciation	82,617	101,035
Auditors' fees - audit	10,824	10,642
- other services	-	-
	<u> </u>	<u> </u>

In common with many other charities of our size we use our auditors to assist with the preparation of the financial statements.

8. Particulars of employees

The aggregate payroll costs were:

Wages and salaries	1,066,124	1,166,643
Social security costs	81,371	89,526
Other pension costs	114,612	112,667
Pension strain costs	9,305	-
	<u> </u>	<u> </u>
	1,271,412	1,368,836
	<u> </u>	<u> </u>

The average number of staff employed by the company during the financial year amounted to:

	Number	Number
Head Office administrative staff	21	23
Project Management staff	6	9
Service Providers	25	28
Future job finders placements	-	2
	<u> </u>	<u> </u>
	52	62
	<u> </u>	<u> </u>

None of the members of the Board received any remuneration during the year (2011 - £nil). Expenses of £357 (2011 - £61) were reimbursed to the board during the year. No employee earned remuneration greater than £60,000.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

9. Tangible fixed assets	Freehold land and buildings £	Furniture and fittings £	Office Equipment £	Total £
Cost or valuation				
At 1 April 2011	1,872,313	170,335	307,072	2,349,720
Additions	-	-	5,798	5,798
Disposals	-	-	-	-
Revaluation	(302,313)	-	-	(302,313)
At 31 March 2012	1,570,000	170,335	312,870	2,053,205
Depreciation				
At 1 April 2011	279,035	134,053	298,788	711,876
Charge	62,800	13,553	6,264	82,617
Eliminated on disposal	-	-	-	-
Released on revaluation	(279,035)	-	-	(279,035)
At 31 March 2012	62,800	147,606	305,052	515,458
Net Book Value				
At 31 March 2012	1,507,200	22,729	7,818	1,537,747
At 31 March 2011	1,593,278	36,282	8,284	1,637,844

Revaluation of fixed assets

The property at 11 Queens Crescent and at 44 Ashley Street were revalued during June 2011 by Allison & Lightbody, Chartered Surveyors, on the basis of open market values. The combined value of the properties amounted to £1,570,000. The revaluation deficit has been debited to the revaluation reserve.

The historical cost of assets included at valuation at the balance sheet date is £1,266,627 (2011 - £344,315). The accumulated depreciation based on historical cost would be £357,951 (2011 - £307,286).

10. Debtors	2012 £	2011 £
Trade debtors	62,705	81,623
Other debtors	153,374	137,820
Prepayments and accrued income	11,543	15,091
	227,622	234,534

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

11. Creditors: Amounts falling due within one year	2012	2011
	£	£
Bank loan	39,996	39,996
Trade creditors	3,533	9,938
Other creditors	38,792	62,958
Accruals and deferred income	263,985	131,436
Other taxation and social security	11,457	4,746
	<u>357,763</u>	<u>249,074</u>
Amounts falling due after one year		
Bank loan	203,353	243,349
	<u>203,353</u>	<u>243,349</u>
Amounts are due within the following periods:		
Between one and two years	39,996	39,996
Between two and five years	119,988	119,988
Over five years	43,369	83,365
	<u>203,353</u>	<u>243,349</u>

The bank loan is secured by a First Standard Security over the company's premises at 11 Queens Crescent.

12. Pension asset	2012	2011
	£	£
Opening balance	402,000	(386,000)
Actuarial gain for the year	57,000	398,000
Net adjustment to salary costs	77,000	390,000
	<u>536,000</u>	<u>402,000</u>

13. Company limited by guarantee

Glasgow Council for the Voluntary Sector is a company registered in Scotland and is limited by guarantee.

14. Funds held in trust

The company administers projects on behalf of other organisations. The responsibility for the audit of these projects lies with the organisations concerned. At 31 March 2012 the company held net bank balances on behalf of these projects amounting to £5,855,684 (2011 - £6,207,629) which are not reflected in the balance sheet.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

15. Analysis of net assets between funds

	Tangible fixed assets £	Other net assets/ (liabilities) £	Total 2012 £	Total 2011 £
Unrestricted funds	1,537,747	798,311	2,336,058	2,331,547
Restricted funds	-	14,538	14,538	10,205
	<u>1,537,747</u>	<u>812,849</u>	<u>2,350,596</u>	<u>2,341,752</u>

16. Funds

Glasgow Council for the Voluntary Sector recognises that it must hold sufficient reserves to be able to meet its liabilities as they fall due, and to reflect non-distributable fixed assets. These have been classified as follows:

	2012 £	2011 £
a) Employment development and research	135,810	121,000
b) Fixed asset reserve	1,537,747	1,637,844
c) Operating	126,501	170,703
d) Pension	536,000	402,000
	<u>2,336,058</u>	<u>2,331,547</u>

- a) The amount held to be used to cover any costs incurred associated with staff employment issues, staff training, development etc.
- b) The amount of funds held in fixed assets and therefore not available for use.
- c) The amount set aside to meet funding gaps and any other unexpected cash flow demands.
- d) The amount of surplus within the pension fund.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

17. Inclusion of income and expenditure account

A reconciliation between the deficit of £80,874 (2011: surplus £144,964) per the income and expenditure account and the £24,878 net outgoing resources (2011: net incoming resources £513,961) before transfers per the statement of financial activities can be explained as follows:

	2012 £	2011 £
(Deficit)/surplus per income and expenditure account	(80,874)	144,964
Add:		
employer pension fund contributions less net pension fund recognition	77,000	390,000
Less:		
adjustment to depreciation charge for year	(21,004)	(21,003)
Net (outgoing)/incoming resources (before transfers) per the statement of financial activities	(24,878)	513,961

18. Funds

	2011 £	Net incoming/ (outgoing) resources £	Transfer £	Pension/ Building Revaluation £	2012 £
Unrestricted Funds:					
General	-	(206,873)	206,873	-	-
Designated:					
- other (including pension asset)	1,683,787	77,000	(73,382)	57,000	1,744,405
- revaluation	647,760	(32,829)	-	(23,278)	591,653
	2,331,547	(162,702)	133,491	33,722	2,336,058
Restricted funds					
	10,205	137,824	(133,491)	-	14,538
	2,341,752	(24,878)	-	33,722	2,350,596

The above transfers represent internal transactions among individual projects of the charitable company to reflect accurately their shared resources. In addition it is the charitable company's policy to have £nil brought forward and carried forward general unrestricted reserves with any non-restricted funds being transferred to designated unrestricted reserves.

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

19. Pension commitments

The charity participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The principal actuarial assumptions used by the actuary are as follows:

	2012	2011
	% p.a.	% p.a.
Pension Increase Rate	2.5%	2.8%
Salary Increase Rate	4.8%	5.1%
Expected Return on Assets	5.8%	6.9%
Discount Rate	4.8%	5.5%
Inflation Assumption	2.5%	2.8%

Life expectancy is based on the fund's VitaCurves, with mortality improvements projected based on members individual year of birth. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.0 years	23.4 years
Future Pensioners	23.3 years	25.3 years

The assets in the scheme and the expected rates of return are:

	Long term rate of return expected 2012 %	Value 2012 £000	Long term rate of return expected 2011 %	Value 2011 £000
Equities	6.3%	3,070	7.5%	2,899
Bonds	3.9%	438	4.9%	489
Property	4.4%	279	5.5%	226
Cash	3.5%	199	4.6%	151
		<u>3,986</u>		<u>3,765</u>

The total pension cost to the company in the year was £114,612 (2011: £112,667). There were £9,305 of pension strain costs incurred in the year (2011: £nil). The contribution rate payable was 19.3% for the year (2011: 18.2%).

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

19. Pension commitments (continued)

Amounts recognised in balance sheet:

The table below compares the present value of the scheme liabilities, based on the actuary's assumptions, with the estimated employer assets.

Changes in the fair value of scheme assets are as follows:

	2012 £'000	2011 £'000
Opening fair value of scheme assets	3,765	3,391
Expected return on assets	264	248
Contribution by members	39	41
Contributions by the employer	124	113
Actuarial (losses)/gains	(156)	24
Benefits paid	(50)	(52)
Closing fair value of scheme assets	<u>3,986</u>	<u>3,765</u>

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	3,363	3,777
Current service cost	111	141
Interest cost	188	197
Contributions by members	39	41
Actuarial (gains)	(213)	(374)
Losses on curtailments	12	-
Estimated benefits paid	(50)	(52)
Post service costs/(gains)	-	(367)
Closing defined benefit obligation	<u>3,450</u>	<u>3,363</u>
Fair value of employer assets	3,986	3,765
Present value of funded obligations	<u>3,450</u>	<u>3,363</u>
Net asset recognised in balance sheet	<u>536</u>	<u>402</u>

Amounts recognised in the statement of financial activities includes:

Current service cost	111	141
Interest on obligation	188	197
Expected return on employer assets	(264)	(248)
Losses on curtailments and settlements	12	-
Total	<u>47</u>	<u>90</u>

GLASGOW COUNCIL FOR THE VOLUNTARY SECTOR

Notes to the Financial Statements For the year ended 31 March 2012

19. Pension commitments (continued)

Movement in surplus during the year:

	2012 £'000	2011 £'000
Surplus/(deficit) in scheme at beginning of the year	402	(386)
Movement in year:		
Past service gain	-	367
Current service cost	(111)	(141)
Contributions	124	113
Expected return on assets	264	248
Interest costs	(188)	(197)
Losses on curtailments	(12)	-
Actuarial gain	57	398
Surplus in scheme at end of the year	<u>536</u>	<u>402</u>