Scott-Moncrieff

COUNCIL FOR VOLUNTARY SERVICE FIFE
(a company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 March 2012

Registered Company Number: SC203613

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COUNCIL FOR VOLUNTARY SERVICE FIFE
(a company limited by guarantee)

Financial Statements

For the year ended 31 March 2012

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Directors/Committee of Management

Mr Robert Bell (Chair)
Ms Frances McAulay (Vice-Chair)
Mr Robin McAlpine (Vice-Chair) (resigned on 29 March 2012)
Mr Alan Hynd (Treasurer)
Mr George Cuthill
Mrs Alison Brown (appointed on 29 March 2012)
Mrs Rhona Cunningham (appointed on 29 March 2012)
Mr Robert Garmory (appointed on 29 March 2012)
Mr Robert Lumsden (appointed on 29 March 2012)
Mr Daniel Rous (appointed on 29 March 2012)
Mr David Rae (resigned on 29 March 2012)
Dr Allen Armstrong (resigned on 29 March 2012)
Ms Isabel Wilson (resigned on 29 March 2012)

Secretary
Mr Andrew Penman

Chief Executive
Mr Kenny Murphy

Registered Office and Principal Address
23-27 Randolph Street
Buckhaven
Fife
KY8 1AT

Bankers
The Royal Bank of Scotland plc
23-25 Rosslyn Street
Kirkcaldy
KY1 3HA

Auditors
Scott-Moncrieff
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Other names by which charity is known
CVS Fife and Fife Voluntary Action (FVA)

Company No: SC203613
Scottish Charity No: SC028457

COUNCIL FOR VOLUNTARY SERVICE FIFE
(a company limited by guarantee)

Directors' Report

For the year ended 31 March 2012

The Directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2012 which have been prepared in accordance with the current statutory requirements and with the charity's constitution.

Directors
The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

The Directors would like to place on record their thanks to the directors who resigned or retired during the year.

Structure, governance and management

Governing document
The organisation is a charitable company limited by guarantee, incorporated on 4 February 2000 and registered as a charity on 18 December 1998. 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. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Company is in the process of changing its legal name to Fife Voluntary Action Limited and has been using Fife Voluntary Action and FVA as 'known as' names since June 2012. At the same time, the Company is updating its Articles of Association to reflect changes introduced by the Companies Act 2006, to reflect the new, wider 'Third Sector Interface' role and improve clarity of our governing instrument. It is anticipated that these changes will take effect before the end of 2012.

Constitution and objectives
CVS Fife is the Fife-wide Council for Voluntary Service and has been in existence since 1998. Its principal task is to promote social inclusion by supporting and strengthening the voluntary sector in Fife. This is achieved through the provision of advice, information and practical support to voluntary, community and charitable organisations in Fife. CVS Fife also represents the interests of the voluntary sector through participation in Community Planning and other partnership initiatives.

Working with a range of partners, CVS Fife assists Fife's Voluntary Sector to:

- Deliver quality services
- Build strong networks and alliances
- Develop new ways of providing services which respond to identified needs
- Become sustainable organisations

The key objectives are:-

- To provide relevant information, including information from statutory bodies, and facilitate the exchange and sharing of resources and ideas and the planning of services to the community
- To facilitate dialogue and co-operation among and between voluntary and statutory and other relevant agencies
- To facilitate according to identified need the formation of ad hoc groups and working parties and thus enable specific tasks which might be identified locally to be undertaken
- To ensure the provision of support and assistance as is required to enable the development of new and existing voluntary organisations established within the community to meet identified need
- The charity has developed and introduced a management structure to ensure these objectives are met

The organisation delivers a range of services and projects in pursuit of the above objectives.

Recruitment and appointment of management committee

CVS Fife has been working through a change process since January 2009, when it first began to have discussions with local partners about the future of support services to voluntary/third sector organisations, volunteers and social enterprise. These discussions were prompted by the Scottish Government announcement that, following the completion of the 2008-2011 funding agreement, its intention was to no longer fund the CVS and Volunteer Centre Networks separately, but to make one payment per Community Planning Partnership area for support services to volunteers, third sector organisations and social enterprise. The Scottish Government indicated that via this route it intended to create strengthened "Third Sector Interfaces" in each area, better able to engage and influence Community Planning Partnerships and public sector policy locally.

In Fife, CVS Fife's Board of Directors engaged in discussions with Volunteer Centre Fife, VONEF (Voluntary Organisations North East Fife) and social enterprise colleagues, and from the early stages of these discussions, took the view that a single organisation would be the best approach to creating the Interface and delivering joined-up services locally. The discussions around this issue were complex and took a considerable amount of time to work through. Given these circumstances, in 2010 CVS Fife Directors took the decision to suspend the local policy relating to retiral of Directors in order to maintain continuity through a period of uncertainty, and to allow the organisation to draw on the experience of the existing Directors.

In November 2011, Voluntary Action Scotland (the umbrella body for Third Sector Interfaces throughout Scotland) commissioned Avanté Consulting to assess the situation in Fife and make recommendations regarding the way forward with regard to the Interface. The recommendations made by Avanté were subsequently accepted by all key stakeholders – the Scottish Government; Fife Council; CVS Fife; VONEF and Volunteer Centre Fife. One recommendation was that a new Board be formed, using four members of the existing CVS Fife Board as its foundation. These four members would be joined by up to eight additional members who would be recruited through an open process run by an Independent Panel. CVS Fife's Board agreed that Robert Bell, Frances McAulay, George Cuthill and Alan Hynd would be the continuing Directors.

Thereafter, an independent panel was appointed, and in February 2012 adverts were placed seeking new Directors. A recruitment pack was developed, which highlighted that Directors were to be selected on a skills basis, and an open evening held for prospective candidates. Following interviews, five new Directors were appointed to the CVS Fife Board at the end of March 2012 – Alison Brown, Rhona Cunningham, Robert Garmory, Robert Lumsden and Daniel Rous. Robin McAlpine, David Rae, Isobel Wilson and Allen Armstrong all stepped down from the Board at this point.

Trustee induction and training

During 2011/12, CVS Fife was working with a set of Directors who had considerable experience of the affairs of the organisation. Four of these Directors were also involved in-depth in the work around the formation of the Third Sector Interface. These four Directors, who were nominated to join the new Board, provided input during the development of the Director recruitment pack.

The Director recruitment pack highlights the background to the formation of the Interface, the roles and responsibilities of Charity Trustees/Company Directors and the skills required from prospective Directors. The new Directors were recruited using this framework.

In March, the Board approved a programme of induction and training which is now well-underway.

Risk management
The Directors assess the major risks to which the organisation is exposed, in particular those relating to the financing of the charity, at regular intervals throughout the year. Detailed financial reports are provided at each meeting of the Board.

The Interface developments were a standing agenda item for Board meetings throughout this period, given the range of risks posed – reputational, financial and strategic.

Organisational structure
The Directors are responsible for the overall governance of the charity and receive reports from a Finance Sub Committee chaired by the Treasurer, a Human Resources Sub Committee chaired by the Vice Chairperson and from the Chief Executive Officer (CEO) and other members of the Management Team.

Significant changes have been taking place towards the end of the financial year and up to the point of publishing these accounts in November 2012.

During the financial year 2011/12 the organisation employed a Manager who was responsible for the day-to-day operation of CVS Fife. Early in 2012 the Board created a new post of CEO and undertook an extensive recruitment exercise which resulted in the appointment of Kenny Murphy in June 2012. The organisation has a management team which consists of the CEO and 3 other managers.

Day to day responsibility for the operation of the organisation is delegated to the CEO.

Achievements and performance
Key organisational achievements:

- CVS Fife achieved European Foundation for Quality Management (EFQM) Committed to Excellence Award in May 2011. This followed a prolonged focus on quality standards within the organisation
- Continuation funding was secured for the Training Project post-May 2011
- Funding secured via the Opportunities Fife partnership for two voluntary organisations to run employability pilots
- Two members of staff qualified as PQASSO Mentors
- CVS Fife website regularly achieved over 15,000 unique visitors in a month. Enquiries being received on a weekly basis due to content on topics such as Annual General Meetings, Constitutions, Committee Roles and News & Events
- Successfully bid to distribute Carers Short Breaks Funding in Fife, providing the opportunity to distribute £28,000 directly to carers between November 2011 and September 2012.
- Successfully delivered the Digital Outreach initiative to prepare vulnerable groups for the Digital Switchover

Performance highlights include the following:

- Through CVS Fife's work in relation to engaging the Voluntary Sector in the development of Fife's Change Plan submission as part of the Scottish Government's Reshaping Care for Older People agenda, we influenced our public sector partners to consider services and activities which promote healthy life expectancy and reduce isolation. As a result, an amount of £500,000 was earmarked for activity under the heading of Community Capacity Building, and the Voluntary Sector will be the lead delivery agent within this programme
- Significant involvement in engaging the Voluntary Sector in the development of the new Health & Wellbeing Plan for Fife, ensuring that the sector's role in tackling health inequalities continues to be acknowledged and supported by public sector partners
- Worked with Alcohol & Drug Partnership to learn lessons regarding Commissioning Process, particularly highlighting the issues faced by small, locally-based voluntary organisations and promoting collaboration

- Delivered PQASSO Implementers Training to six Voluntary Organisations and provided follow-up advice and support, assisting organisations to develop their practice and sharpen their focus on quality services and activities
- Financial Services were provided to a range of organisations – twenty-five organisations received Payroll Services, twenty-two received Independent Examination of Accounts and five received book-keeping services, enabling organisations to carry out their work more effectively
- One hundred and eighty-three organisations received one-to-one support on topics such as Governance, Funding, Employment Issues and benefited from staff and volunteers accessing training
- Facilitated the formation of a Third Sector Strategy Group, a group of twenty representatives drawn from across the Third/Voluntary Sector in Fife, with the aim of strengthening the sector's voice in policy development and improving its public profile
- Supported the Strategy Group to deliver its first large-scale event in February 2012, which attracted circa one hundred and twenty delegates from across the Third/Voluntary Sector in Fife and included a keynote address from Carol Craig, Director of the Centre for Confidence & Wellbeing

Financial review

For the 2011/12 Financial Year, CVS Fife received a slight increase in its core grant from the Scottish Government which, given the current economic climate and squeeze on public sector finance, was a welcome boost to the organisation. The end of the Skills for Scotland ESF-funded project (led by Adam Smith College) presented the Board with a challenge in terms of sustaining the organisation's Training Project, but continuation funding was secured via the Community Planning Partnership (CPP) which manages the Priority 5 ESF Programme for Fife. Core income is currently relatively stable, and the Board has been successful in building up a healthy Reserves position, which is important in the context of the future merger as part of the Interface developments. The Board works to both a Cash Flow and Income Expenditure Budget and reviews its financial position at each meeting of the Board.

The Avanté recommendations around the future development of the Interface referenced earlier in this report suggested that CVS Fife should be used as the legal basis for the Interface organisation in Fife from 1 April 2012. There were a number of factors considered in coming to this position, not least CVS Fife's track record of strong financial management. Pension liability was also a significant factor; Volunteer Centre Fife has a number of staff members in a final salary pension scheme which has resulted in a considerable liability. Given the current financial context and the pressures on pension schemes in general, this liability was only likely to grow, which was a concern for CVS Fife Directors and all parties concerned with the development of the Interface. Avanté recommended that an initial merge should take place involving the wind-up of VONEF and the transfer of assets into CVS Fife; Volunteer Centre Fife was given an additional six months to work out its Pension issues prior to joining the Interface organisation. Although Volunteer Centre Fife held reserves, it was clear that these reserves were not sufficient to meet the pension deficits. It was anticipated that the shortfall is likely to be met by CVS Fife as all assets and debts under the proposed merger would transfer to CVS Fife.

CVS Fife's Directors met in January 2012 to consider the Avanté recommendations and agreed that accepting and implementing the Avanté recommendations was the best route to safeguard the long-term future of the services delivered by CVS Fife; given that two of the key core funders of the organisation (the Scottish Government and Fife Council) expected the recommendations to be implemented, future funding was effectively conditional on good progress being made.

The merger of VONEF into CVS Fife at the start of the financial year 2012/13 had no adverse impact on the finances of the company. The merger of Volunteer Centre Fife on 01 October 2012 resulted in a debt being transferred which is in the region of £71,000. Agreements with the two pension managers involved have been reached which will see the debt managed in a way which has been risk assessed and unanimously accepted by the Directors. To ease the resulting impact on our reserves, satisfactory agreements have been reached regarding funding of this shortfall over a repayment period of three years

Principal funding sources

In Financial year 2011/12 the principal funding sources of CVS Fife were: Fife Council, Europe (ESF Funding), the Scottish Government and NHS Fife.

Reserves/investment policy
Aside from retaining a prudent amount in reserves each year, most of the charity's funds are spent on the delivery of its activities so there are limited funds for long-term investment. The Directors have identified a minimum reserve requirement of 3 months operating costs in order to meet future commitments as they fall due. Free reserves as at 31 March 2012 were £161,322 (2011: £144,698). Therefore, during the financial year 2011/12, the amount held in reserves met the requirements of the Reserves Policy. However, for 2012/13 this amount falls short of the required amount. Directors will carefully monitor finances and reserves during 2012/13, with a view to ensuring the Reserves Policy is sufficient for the needs of the larger organisation.

Plans for future periods
As referenced earlier in this report, CVS Fife has been working through a period of significant change. From 1st April 2012, it has formed the legal basis for the new Third Sector Interface for Fife. On that date it merged with VONEF and subsequently with Volunteer Centre Fife on 1 October 2012. The organisation is bringing services to voluntary, community, charitable and social enterprise organisations, as well as volunteers, into one organisation.

We are signed up to a Single Delivery Framework, as follows:

- Supporting & Developing a Strong Third Sector
  - Understanding the needs of Fife's Third Sector through consultation and engagement
  - Communicating with Fife's Third Sector
  - Providing support services to Fife's Third Sector organisations
  - Growing Fife's Third Sector
  - Promoting good practice within Fife's Third Sector
- Building the Third Sector Relationship with Community Planning
  - Fife's Third Sector contributes to community planning and the S.O.A. at a strategic level
  - Fife's Third Sector contributes to community planning at a service delivery and community plan implementation level
  - Structures will be created and supported, within the Third Sector, to enable Fife's Third Sector to contribute to community planning
- Volunteering Development
  - Enthusing and involving young people in volunteering to become successful learners, confident individuals, effective contributors and responsible citizens
  - Supporting people to realise their volunteering aspirations - especially those who face barriers to participation
  - Developing the capacity of volunteering - involving agencies and volunteers through support and training
  - Engaging with strategic networks and partnerships to promote volunteering and influence decisions
- Social Enterprise Development
  - Work in partnership by receiving and making appropriate referrals to other agencies and organisations as necessary
  - Ensure potential social enterprises are supported to start up
  - Ensure existing social Enterprises are assisted to develop and grow

Delivery against these four strands will continue while internal changes are worked through during the year ahead.

Going concern
After making reasonable enquiries the board are satisfied that the company has adequate unrestricted resources, of which a high percentage is held in cash, to continue its objectives for the foreseeable future. Directors continue to adopt the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Disclosure of information to Auditors
To the knowledge and belief of each Director at the time the report is approved:

- so far as each Director is aware, there is no relevant information of which the Company's Auditor is unaware, and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information, and to establish that the Company's Auditor is aware of the information.

Auditors
A resolution to appoint auditors will be put to the Members at the Annual General Meeting.

By order of the Board of Directors

Robert Bell

29/11/2012

Chair
Robert Bell

COUNCIL FOR VOLUNTARY SERVICE FIFE
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors

For the year ended 31 March 2012

We have audited the financial statements of Council for Voluntary Services Fife for the year ended 31 March 2012 which comprise the Statement of Financial Activities, 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).

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 directors, 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 directors 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 and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' responsibilities set out on page 7, the directors (who are also the trustees of Council for Voluntary Service Fife for the purposes of charity 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 15 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report 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.

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 Directors' Report 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 adequate for our; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott-Moncrieff

Michael Harkness, (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

29 Novembe 2012

COUNCIL FOR VOLUNTARY SERVICE FIFE
(a company limited by guarantee)

Income and Expenditure Account
and Statement of Financial Activities

For the year ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	Restated 2011 Total Funds £
Incoming resources					
Incoming resources from generated funds:					
- Activities for generating funds		44,068	-	44,068	24,950
- Investment income – bank interest		477	-	477	436
Incoming resources from charitable activities	2	245,472	118,752	364,224	318,544
Total incoming resources		290,017	118,752	408,769	343,930
Resources expended					
Costs of generating funds		2,648	-	2,648	3,380
Charitable activities	3	264,578	113,243	377,821	328,883
Governance costs	4	11,676	-	11,676	10,511
Total resources expended		278,902	113,243	392,145	342,774
Net incoming resources before transfers		11,115	5,509	16,624	1,156
Gross transfers between funds	12	(10,299)	10,299	-	-
Net incoming resources after transfers		816	15,808	16,624	1,156
Fund balances at 1 April 2011		141,157	3,541	144,698	143,542
Fund balances at 31 March 2012		141,973	19,349	161,322	144,698

All results of the company relate to continuing activities.

There were no recognised gains or losses for either year other than those included in the Statement of Financial Activities.

COUNCIL FOR VOLUNTARY SERVICE FIFE
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Balance Sheet

As at 31 March 2012

	Notes	2012		Restated 2011	
		£	£	£	£
Fixed assets	7		4,994		7,491
Current assets					
Debtors	8	71,299		104,796	
Cash at bank and in hand		183,160		66,815	
		254,459		171,611	
Creditors: amounts falling due within one year	9	(98,131)		(34,404)	
Net current assets			156,328		137,207
Net assets			161,322		144,698
Reserves	12				
Restricted funds			19,349		3,541
Unrestricted funds - general			141,973		96,328
- designated			-		44,829
			161,322		144,698

The financial statements were authorised for issue on 29 November 2012 and are signed on their behalf by;

Director
Alan Hynd

Registered Company Number: SC203613

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

Going concern

The directors are satisfied that CVS Fife has adequate unrestricted resources, of which a high percentage is held in cash, to continue its objectives for the foreseeable future. CVS Fife continues to adopt the going concern basis in preparing these financial statements.

Pension costs

The company operates a defined contributions pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund, The Pension Trust. The amount charged represents the contributions payable to the scheme in respect of the accounting period. Total contributions are disclosed in note 6 to the financial statements.

Cash flow statement

The company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No1.

VAT

The company is not registered for VAT. Accordingly, expenditure is shown inclusive of VAT in the financial statements.

Voluntary income

Voluntary income is included in full in the Statement of Financial Activities when the charity is entitled to it, and there is reasonable certainty of receipt and the amount is quantifiable.

Grants

Grant income is recorded in the financial statements in accordance with the financial year to which it relates, unless they relate to a specified future period, in which case they are deferred.

Overheads and salaries

Overheads and salaries are allocated to funds in accordance with the understandings with local and central government authorities and with other funders and where possible directly to charitable or administrative expenses. When this has not been possible, an estimate based on staff time has been made of the proportion to be charged to each activity. Support costs are those costs incurred directly in support of the objects of the charity and are charged within the appropriate overhead together with direct charitable expenditure.

Tangible assets and depreciation

Fixed assets are stated at cost. Depreciation is provided on tangible fixed assets to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life, as follows:

Office equipment	4 years
Computer equipment	4 years

1. Accounting policies (continued)

Resources expended

Resources expended are recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity:

- charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries;
- costs of generating funds comprise the costs associated with attracting voluntary income; and
- governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as they fall due.

Funds

Unrestricted funds are income sources which are receivable for the objects of the charity without further specified purposes and are available as general funds.

Designated funds are used for a specific purpose as laid down by the directors. Designated funds form part of the general reserve.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Transfers from unrestricted funds are made to meet any shortfalls in restricted projects.

2. Incoming resources – grants received

	Unrestricted £	Restricted £	Total 2012 £	Restated Total 2011 £
Grants				
Fife Council Revenue grant	136,595	-	136,595	136,596
Fife Health Board	21,845	-	21,845	21,844
Scottish Office – Revenue grants	87,032	-	87,032	79,685
ESF Training	-	25,394	25,394	36,923
Engagement in Employability	-	59,670	59,670	43,496
Short Break Project	-	33,688	33,688	-
	245,472	118,752	364,224	318,544

3. Resources expended – charitable activities	Core £	ESF Training £	Engagement in Employability £	Short Break £	2012 Total £	2011 Total £
Staff costs	205,703	34,438	26,744	-	266,885	263,108
Travel costs	6,626	336	1,402	-	8,364	7,910
Training costs	-	6,839	2,464	-	9,303	4,982
FSF Project Funding	-	-	30,359	-	30,359	-
Short Break Awards	-	-	-	10,661	10,661	-
Conference costs	3,808	-	-	-	3,808	5,015
VONEF	8,000	-	-	-	8,000	8,000
Maintenance	4,277	-	-	-	4,277	4,432
Support costs						
Property costs	7,197	-	-	-	7,197	8,909
Stationery and printing	7,929	-	-	-	7,929	9,707
Equipment costs	679	-	-	-	679	4,243
Advertising	100	-	-	-	100	1,536
Sundry	355	-	-	-	355	1,538
Digital Fife equipment	351	-	-	-	351	4,137
Telephone	2,492	-	-	-	2,492	2,537
ICT support	1,028	-	-	-	1,028	-
Depreciation	2,497	-	-	-	2,497	2,729
Bad debts	4,911	-	-	-	4,911	-
Fife Interface	8,625	-	-	-	8,625	-
Office costs	-	-	-	-	-	71
Bank charges	-	-	-	-	-	29
	264,579	41,613	60,969	10,661	377,821	328,883

4. Governance costs

	2012	2011
	£	£
Auditor's remuneration	4,740	4,641
Professional fees	323	15
Management committee expenses	1,613	855
Staff costs	5,000	5,000
	11,676	10,511

5. Taxation

The company has been awarded charitable status under Section 505 of the Income and Corporation Taxes Act 1988, as amended, and Section 256 of the Capital Gains Tax Act 1994, as amended, and as such is exempt from tax.

6. Staff numbers and costs

The average weekly number of employees during the year was made up as follows:	2012 Number	2011 Number
Charitable staff	10	10

The total salary costs were as follows:

	£	£
Salaries and wages	239,868	231,740
Social security costs	23,351	22,346
Pension costs	12,776	12,374
	275,995	266,460

No employee received emoluments above £60,000 (2011: none).

Four directors (2011: two) received reimbursement for travel expenses totalling £1,040 (2011: £762). Directors do not receive any other remuneration.

The company operates a defined contribution scheme. There were £139 of outstanding pension contributions at 31 March 2012 (2011: £39).

7. Fixed assets

	Office Equipment £	Computer Equipment £	Total £
Cost			
As at 1 April 2011 and 31 March 2012	8,321	9,988	18,309
Depreciation			
As at 1 April 2011	8,321	2,497	10,818
Charge for year	-	2,497	2,497
As at 31 March 2012	8,321	4,994	13,315
Net book value			
As at 31 March 2012	-	4,994	4,994
As at 31 March 2011	-	7,491	7,491

8. Debtors

	2012 £	Restated 2011 £
Prepayments and accrued income	66,548	101,421
Trade debtors	4,751	3,375
	71,299	104,796

9. Creditors: Amounts falling due within one year

	2012 £	2011 £
Sundry creditors, accruals and deferred income	90,700	28,269
Other tax and social security	7,431	6,135
	98,131	34,404

10. Related party transactions

There were no disclosures during the year required by Financial Reporting Standard 8 'Related Party Disclosures'.

11. Share capital

The charity is a company limited by guarantee of £1 per member and has no share capital.

12. Reserves

	Balance at 31 March 2011 restated £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2012 £
Unrestricted funds					
General	96,328	290,017	(278,902)	34,530	141,973
Designated	44,829	-	-	(44,829)	-
	141,157	290,017	(278,902)	(10,299)	141,973
Restricted funds					
Engagement in Employment	-	59,670	(60,969)	1,299	-
ESF Training	3,541	25,394	(41,613)	9,000	(3,678)
Short Break Project	-	33,688	(10,661)	-	23,027
	3,541	118,752	(113,243)	10,299	19,349
Total	144,698	408,769	(392,145)	-	161,322

The designated fund is in place to provide funds for the replacement of computer equipment and future training projects.

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds at 31 March 2012 £	Total funds at 31 March 2011 restated £
Fixed assets	-	4,994	4,994	7,491
Net current assets	3,261	153,067	156,328	137,207
	3,261	158,061	161,322	144,698

14. Operating lease commitments

The company's commitments under operating leases for the next year are for leases expiring:

	Other leases £	Total 2012 £	Total 2011 £
Less than 1 year	921	921	-
Between 2 and 5 years	1,152	1,152	2,073
Total	2,073	2,073	2,073

15. Non-audit services

In common with many other companies of its size, the company uses its auditors to prepare its financial statements.

16. Contingent liability

The company has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Pension Scheme. As at 31 March 2012 this was £81,333 (2011: £27,211).

The directors confirm that the company has no intentions of withdrawing from the Scheme.

17. Fife Interface

On 1 April 2012 VONEF (Voluntary Organisations North East Fife) merged with CVS Fife. Volunteer Centre Fife joined subsequently on the 1 October 2012. CVS Fife has continued as the legal entity to carry the new Fife Interface. The organisation is run under the new name Fife Voluntary Action.

18. Prior year restatement

The prior year restatement relates to grant income for the Engagement in Employment project accrued as at 31 March 2011 which was not received from the funder due to staff changes during that year and a resulting underspend on the project. The net effect of this adjustment is to reduce debtors, incoming resources and closing unrestricted funds at 31 March 2011 by £14,789.