

BLACKPOOL, WYRE & FYLDE COUNCIL FOR VOLUNTARY SERVICE
AGM – PRESENTATION NOTES 28/09/16
YEAR ENDED 31st March 2016

The CVS is a registered charity and a limited company and therefore is required to prepare financial statements which are in accordance with both the requirements of the Statement of Recommended Practice, as laid down by the Charity Commission, and the Companies Act 2006.

A charitable company is however able to claim exemption from audit where its gross income does not exceed £500,000 and so a decision was taken by the trustees last year to claim exemption from audit for the financial statements for the year ended 31st March 2016. The financial statements for this year have therefore been subject to an independent examination rather than an audit, and to the users of the accounts the main distinction of this is the nature of the report which I have attached to the financial statements this year.

An independent examination includes a review of the accounting records but the procedures are certainly not as rigorous and do not provide all the evidence that would be required of an audit. As a result in an independent examiners report we are not able to give an opinion as to whether the financial statements present a “True and Fair View”. Instead I am simply required to state whether any matters have come to my attention which indicate that proper accounting records have not been kept, or that the accounts have not been prepared in accordance with the Charity Statement of Recommended Practice.

In all other respects, the financial statements for the CVS have been prepared on a consistent basis with previous years. The Report of the Trustees provides useful information on the membership of the board and the objects and activities of the charity.

The Chairman’s report emphasises the common theme within the sector, the nationwide funding issue and the fact that the CVS is no exception in being affected. As a result the board have had to implement a series of cost cutting measures, one being the move from the Abingdon Street site.

At the 31st March 2016 the CVS had generated a net surplus for the year on its unrestricted activities of £10,689 and a surplus on restricted funds of £26,996, however financial commitments in the next twelve months and budget cuts which local authorities are being forced to make will have an impact on the finances of the CVS over coming months.

Actual grant income for the CVS dropped significantly over the period 2014 to 2015 from £390,197 down to £173,876 and although this grant income levelled out in the 2015-16 year the overall income for the CVS is still down on 2015.

As was the case last year, included within the grant income is the monies received for the Revoelution project as the CVS has been involved as the trusted lead organisation on this project, and funds are currently held by CVS in a separate bank account for Revoelution.

Note 10 details the sources of the incoming resources in the year and the remaining balances at the year end date. Other income in the year comes from contributions to overheads and rental income from sub-letting of the office facilities at the Abingdon Street site.

The total incoming resources for the year must be considered as two distinct categories of funds, those which are unrestricted and come with no attachments or demands dictating how the funds are to be utilised, and restricted funds which are only to be used for a specific purpose. The total incoming resources for the year was £235,962 compared with £240,318 for 2015, and £183,686 of the income was restricted in nature.

The management of CVS have reacted to the drop in income by making cost savings wherever possible and the result has been an overall reduction in resources expended in the year from £233,782 in 2015 to £198,277 for 2016. The main category of expenditure where this reduction in costs is evident at this stage is wages, with a £17,000 reduction year on year. The detailed statement of financial activities can be found on page 15 of the financial statements.

There has been no new investment in equipment in the year and amounts due to the CVS in debtors are less than last year with a small reduction in creditors at the year end too. Whilst the bank balances appear more healthy than last year, up at £106,421 compared with £62,424 it must be borne in mind that £75,569 of this is tied up in relation to restricted funds in order to meet future project expenditure and so general funds for the running of the CVS core activities only amount to £30,852 at the year end date.

Although it has not been recognised as a creditor at the balance sheet date the board have in recent weeks been forced to make the decision to make staff redundancies which will take effect during the 2016-17 accounting year. In accordance with accounting standards this has been disclosed as a post balance sheet event which will potentially give rise to costs of £25,000.

I understand that the board of directors are still looking to secure new sources of funding and still consider that there is a role for the CVS to perform in the future and it is still currently their opinion that the organisation remains a going concern. However, in order to meet head on the financial constraints which it now faces, the CVS will unfortunately have to become a slimmed down version of its current self.