

**VOLA Consortium**  
(A Company Limited by Guarantee)  
**Annual Report**  
**&**  
**Unaudited Financial Statements**  
**For the year ended**  
**31 March 2020**

# Vola Consortium

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# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

### For the year ended 31 March 2020

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The trustees, who are also Directors for the purposes of the Companies Act, present their annual report and financial statements of the charity for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland.

## The Charity

VOLA Consortium is constituted as a company limited by guarantee and not having a share capital. The company is registered in England and Wales No. 08746685. The charity is registered with the Charity Commission No. 1158777. The principal governing document is the Company Memorandum and Articles of Association as amended on 25th September 2014.

## Objectives and Activities

The charity's objects are:

- a) the advancement of education and lifelong learning in such ways as the trustees think fit;
- b) the provision of crime prevention and offender rehabilitation services;
- c) the promotion of the voluntary sector in the Liverpool City Region and the surrounding areas in particular by:
  - i) building the capacity of charitable and voluntary organisations operating within the area of benefit and providing them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose but in particular the advancement of education and the rehabilitation of offenders; and
  - ii) promoting, organising and facilitating co-operation and partnership working between charitable and voluntary organisations and statutory and other relevant bodies within the area of benefit.

*For the purposes of this clause, "the voluntary sector" means charities and voluntary organisations defined as follows: "Charities are organisations, which are established for exclusively charitable purposes in accordance with the law of England and Wales. "Voluntary Organisations" are whole or a significant section of the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations do not include local government or other statutory authorities"*

- d) To further such purposes as are charitable within the laws of England and Wales as the Trustees shall from time to time determine.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

### For the year ended 31 March 2020

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#### Membership

In its sixth year of operation as a registered charity, VOLA Consortium's membership remains steady at 56 organisations (58 last year). During the year, sadly, two organisations went out of business and so were removed from the membership.

#### New Futures

It has been another busy, exciting and rewarding year for the charity, albeit with a difficult end to the year, as has been the case for people, charities, voluntary organisations and businesses across the UK and, indeed, worldwide, due to the unprecedented impact of the global COVID-19 pandemic.

During the 2019/20 financial year, VOLA focused on the delivery of its *New Futures* project. Funded by the European Social Fund (ESF) and co-financed by the Education and Skills Funding Agency (ESFA), the project is currently scheduled to run until July 2021, with a target of supporting 1,429 eligible young people and achieving a 54% progression rate to work, education, Apprenticeships or Traineeships.

Following the exchange of contracts in late February 2019, the project mobilised to active recruitment and delivery from May 2019. Led by Greenbank College and delivered in partnership with 12 other VOLA members, the project provides targeted support to young people aged 15-24 who are Not in Employment, Education or Training (NEET), or at risk of becoming NEET, to help them to progress towards their learning and work goals. Learners are provided with a flexible, tailored programme to help improve their employability skills, personal, social and emotional development, comprising accredited and non-accredited training, mentoring, pastoral and wider wrap-around support.

Like its predecessor *Working Futures* (2016-2018), VOLA undertakes a partnership management role on the *New Futures* project, working through a Service Level Agreement and acting as an 'agent' to Greenbank, lead provider and 'principal' contract holder with the ESFA.

By the 31<sup>st</sup> March 2020, the project had supported 467 disengaged young people across the city region, 117 of whom progressed to education or work (13 jobs, 3 Apprenticeships, 8 Traineeships and 93 in to other Further Education courses, mainly Study Programmes), with 278 still on programme.

Analysis of participant demographic data clearly demonstrates the partnership's ability to engage a diverse range of people, the majority of whom are commonly recognised as disadvantaged in one or more ways. For example, on joining the project, 52% of learners declared a disability, learning difficulty or long-term health condition. 93% lacked basic skills in either English or maths, the vast majority lacking in both disciplines.

Overall, 97% declared at least one recognised barrier to progression (disability, lacking basic skills, low educational attainment, single parent, ethnic minority, workless household); 76% declaring multiple and often complex barriers.

In terms of gender equality, the proportion of young women engaged by the project to the end of March stood at 47.8%, slightly ahead of the ESFA's national target for its ESF co-financed programme of 46%.

As detailed in last year's annual report, due to the contract payment structure, with the majority of funding attached to the achievement of results, year 1 of the project (2019/20) was predicted to make an operating deficit, with a



# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

### For the year ended 31 March 2020

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#### **New Futures (continued)**

gradual surplus forecast to accumulate in 2020/21 off-setting year-one losses; and this was exactly the picture we saw. In line with forecasts, following a steady start to the project in the spring and summer of 2019, learner volumes and achievement of results gradually increased throughout the year and in to the early months of 2020; that is until the negative impacts of the growing COVID-19 pandemic began to unfold!

From February onwards, growing public fears, increased social distancing measures and the subsequent UK-wide lockdown immediately began to severely hamper project delivery in all areas - recruitment, on-site delivery, achievement of learning aims and availability of progression opportunities – and the previous upward performance curve rapidly began to flatten out.

In conjunction with Greenbank and project delivery partners, the management team and Board of Trustees quickly began to review and revise the project's operations to ensure continued support for learners through remote delivery methods. Key risks to the project were reviewed including the immediate priority of staff and learner health, safety and welfare, operational planning and delivery, and the potential financial impact of the lockdown on contract income.

The inevitable, significant and imminent drop in contract income meant that alternative financial solutions needed to be pursued as a matter of urgency. Potential contingency plans were identified, including lobbying of funders to change contract funding mechanisms and/or provide emergency financial support; consideration of support from the Government's Coronavirus Job Retention Scheme; and alternative grant funding opportunities, which the charity began to pursue in the early months of the 2020/21 financial year.

At the time of writing, the charity has been successful in securing its sustainability in the short to medium term, through a blend of successes in pursuing the above contingency plans.

#### **Social Value and Community Wealth Building**

During the year, the charity undertook to calculate its Social Value and impact on Community Wealth Building. This primary exercise, using the HACT Wellbeing calculator (recognised as an industry leader in social value) examined the consortium's activity both pre and post its legal incorporation as a charitable company in 2013.

This was a highly worthwhile exercise, demonstrating VOLA's significant contribution social value and, in particular, to a community-wealth-building approach. Analysis of past and current projects indicated a high, albeit conservatively-estimated value of notional well-being totalling £24,892,380. Our recently concluded and highly successful *Working Futures* project alone contributed in excess of £6.6m in social value over its three year operation. The Sefton CVS-led *Include-IT Mersey* digital inclusion project, for which the delivery partnership exclusively consists of VOLA member organisations, has also contributed in excess of £5.3m in social value to date.

In terms of the charity's positive impact on community-wealth-building, a recent survey of the 30 member organisations that have delivered on VOLA projects since 2016 showed that 95.5% of the 200 (128 FTE) staff working on those projects live in the Liverpool City Region, spending their wages locally; thereby contributing to the local financial multiplier effect.

We have always been rightly proud of our significant positive social and economic impact on our city region and, in particular, its disadvantaged communities and it is nice to now be able to quantify this in more specific and accurate terms.

# VOLA Consortium

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#### **Future Opportunities**

Since the end of the financial year, we have been informed that the *New Futures* project will be extended to March 2023, with the potential opportunity to grow the contract by up to 50% at future contract management review points, subject to performance levels at the time. Greenbank is currently awaiting formal confirmation of the project's extension through a variation to contract by the ESFA. When received, this will allow us the opportunity to maximise delivery, draw-down of funding and, ultimately support more young people over a longer period, which will help to offset some of the detrimental impacts of COVID-19 on the project's delivery, which are anticipated to endure for the remainder of 2020.

From the summer of 2019 and in to the first quarter of 2020, the Consortium Manager and Board began to plan towards new development opportunities for the coming years, including a large, innovative employment programme, for which a business case was submitted to potential funders.

Despite good progress through the assessment process, in March 2020, the unfortunate, but understandable decision to suspend all applications was taken by the funder due to the COVID-19 pandemic. There is currently no further indication as to when this funding will become available again. However, the concept and business case was viewed favourably by the funding body and we fully intend to pursue the proposal in due course when the opportunity arises again.

#### **Financial Review**

During the 2019/20 financial year, charitable activity generated an income of £37,249 to be used to further the organisation's objectives. Following the modest annual operating deficit of £9,384 in the previous financial year, this year the charity incurred a further, albeit planned annual operating deficit of £21,798, broadly in line with financial forecasts agreed by the Board of Trustees at the beginning of the financial year.

In addition to the charity's direct income and expenditure, as detailed in the accounts, note 12 to the accounts declares funds held and distributed by VOLA Consortium to third party delivery partners involved in the *New Futures* project, in its role as 'agent' to Greenbank College ('principal'). VOLA has no discretion or control over the use to which these funds are put by the third-party delivery partners, as the charity simply distributes them in line with the instructions given by Greenbank. As such, they are not recognised as an asset in the charity's accounts, in accordance with Module 19 of the SORP.

Income to pay for costs incurred by VOLA in delivering the *New Futures* project is derived from a percentage of the unit price payments drawn down from the ESFA for achievement of target output and results. Due to the payment-by-results contract structure, income is directly linked to performance. The previously forecast cash-flow lag in year one of the project (2019/20) is now likely to extend further into 2020/21 due to the substantial impact of the COVID-19 emergency on contract performance, with contingency measures already implemented only able to partly overcome the wide range of barriers that the Coronavirus pandemic has presented. In the absence of additional funding, this would inevitably result in a further annual operating deficit in the 2020/21 financial year. However, the Board of Trustees and Consortium Manager are working hard to implement contingency plans to minimise potential for a further financial deficit in the coming year.

As of 31<sup>st</sup> March 2020, the charity maintained a relatively healthy balance sheet, comprising sufficient cash at bank and payment due from debtors. The charity's liquid assets and anticipated contract income (currently expected to remain relatively low in the first half, 2020/21, gradually rising thereafter), combined with contingency plans to



# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

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#### **Financial Review (*Continued*)**

reduce costs and secure alternative funding are forecast to cover planned activities and financial liabilities for the coming financial year. Current projections provide confidence the charity can sustain itself as a going concern.

#### **Reserves**

Currently, the charity has a reserves policy of £5,000 to cover the costs anticipated (e.g. financial and legal costs) in the event of the charitable company being wound up. The unrestricted reserves at year end stood at £20,947, with ample cash at bank to cover the Charity's reserves policy.

This policy reflects the charity's continued position in relation to staffing and fixed assets, in that it does not directly employ any staff and, therefore, has no direct employment or redundancy liabilities, nor does it have any loans or other liabilities in relation to buildings either owned or leased.

The policy has been reviewed again this year and will continue to be reviewed annually, subject to amendment should the charity's risk profile change, for example, if the charity began to directly employ staff or secure premises.

The charity has no subsidiary undertakings, nor is any fund within the charity's accounts materially in deficit.

With contingency plans currently being implemented to source additional funding to offset the realistic potential for a further financial deficit on the *New Futures* project in the coming financial year, coupled with the project's anticipated extension until 2023, the Board of Trustees remains confident in the charity's ability to continue as a going concern.

Although we know the coming year will present many different challenges, financial, operational, social, and economic, we are ready to meet those challenges head on and are determined to make the year as successful as possible for both the charity itself, for its members organisations and, most importantly, for the disadvantaged people and communities we continue to serve.

#### **COVID-19 Postscript**

Despite the financial challenges presented by COVID-19, since the end of the financial year, the charity has secured sufficient continuity funding for the medium term. Scenario planning and financial modelling provides reassurance the charity has the resilience to respond to the rapidly changing social and economic climate caused by the Coronavirus crisis. Financial forecasts are regularly reviewed and updated to take account of new and emerging issues that may impact on the charity's finances.

# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

### For the year ended 31 March 2020

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## Reference and administrative details

Charity number:	1158777
Company number:	08746685
Registered Office:	Burlington House, Crosby Road North, Waterloo, Liverpool, L22 0LG

## Our advisors

Independent Examiner:	Peter Taaffe FCA CTA DChA, BWM Chartered Accountants, Castle Chambers, Liverpool.
Bankers:	Unity Trust Bank Plc, 9 Brindleyplace, Birmingham. B1 2HB
Solicitors:	Brabners, Horton House, Exchange Flags, Liverpool. L2 3YL

## Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year-end were as follows:

### Trustees

James Brett	Appointed 26 November 2019
Claire Cook	
Gregory Coyne	
Nicola Crosby	
Damian France (Chair of Trustees)	
Mark Ord	
David Roberts	
Helen Stephens	
Angela White	
Stephanie Wright	Resigned 23 July 2019
Sally Yeoman	Resigned 24 September 2019

## Structure, Governance and Management

### Governing Document

VOLA Consortium is a company limited by guarantee governed by its Memorandum and Articles of Association amended on 25th September 2014. It is registered with the Charity Commission. Anyone over the age of 16 can become a member of the Company and there are currently 9 trustee members (9 in 2018/19), each of whom agrees to contribute £1 in the event of the charity winding up. In addition to the trustees, the charity had 56 membership organisations as at 31<sup>st</sup> March 2020, who also agree to contribute £1 in the event of the charity winding up.



# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

For the year ended 31 March 2020

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### Structure, Governance and Management (*Continued*)

#### Appointment of trustees

As set out in the Articles of Association the trustees are elected by members of the charitable company attending the Annual General Meeting. The longest service one third of trustees retires each year and are able to offer themselves for re-election.

#### Trustee induction and training

New trustees undergo an induction process to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction process they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### Organisation

The board of trustees, which can have up to 12 members, administers the charity. The board normally meets quarterly. A Manager is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations the Manager has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment, and service delivery activity. The Manager and other members of the staff team are employed by Sefton Council for Voluntary Services, a VOLA membership organisation, with VOLA Consortium being recharged for any staff time incurred in the operation of projects. A written membership agreement is in place outlining the terms of this staffing relationship.

#### Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity and any client or supplier is disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

#### Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and active management of trade debtors and creditors balances to ensure sufficient working capital by the charity.

# VOLA Consortium

## Trustees' Annual Report (including Directors' Report)

### For the year ended 31 March 2020

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#### Risk Management (*continued*)

Attention has also been focused on non-financial risks arising from fire, health and safety of clients and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place and regular awareness training for staff working in these operational areas.

## Trustees' Responsibilities

The trustees, who are also the directors of VOLA Consortium for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the financial statements, the trustees are required to:

- 1) select suitable accounting policies and then apply them consistently;
- 2) observe the methods and principles in the Charities SORP;
- 3) make judgements and estimates that are reasonable and prudent;
- 4) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 5) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board of trustees on **26 October 2020** and signed on their behalf.



**Damian France**  
**Chair of Trustees**



# Independent Examiner's Report

## To the trustees of VOLA Consortium

### For the year ended 31 March 2020

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I report to the charity trustees on my examination of the accounts of VOLA Consortium for the year ended 31 March 2020.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

#### Responsibilities and basis of report

As the charity's trustees of VOLA Consortium (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

#### Independent examiner's statement

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*BWM*

**Mr Peter Taaffe FCA CTA DChA**

BWM

Chartered Accountants

Castle Chambers

43 Castle Street

Liverpool

L2 9SH

Date: 30.10.20



VOLA Consortium  
Statement of Financial Activities  
(Incorporating Income & Expenditure Account)  
For the year ended 31 March 2020

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**Current Year Ended 31 March 2020**

	Note	Unrestricted Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>					
Donations and Legacies	2	300	-	300	9,200
Charitable activities	3	36,949	-	36,949	76,310
Total Income		37,249	-	37,249	85,510
<b>Expenditure on:</b>					
Charitable activities	4, 5	59,047	-	59,047	94,894
Total expenditure		59,047	-	59,047	94,894
<b>Net income/(expenditure)</b>		-21,798	-	-21,798	-9,384
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		-21,798	-	-21,798	-9,384
<b>Reconciliation of funds:</b>					
Funds b/fwd		42,745	-	42,745	52,129
Funds c/fwd		20,947	-	20,947	42,745

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All income and expenditure derive from continuing activities.

**VOLA Consortium**  
**Statement of Financial Activities**  
(Incorporating Income & Expenditure Account)  
**For the year ended 31 March 2020**

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**Previous Year Ended 31 March 2019**

	Note	Unrestricted Fund £	Restricted Fund £	Total 2019 £
<b>Income and endowments from:</b>				
Donations and Legacies	2	9,200	-	9,200
Charitable activities	3	-	76,310	76,310
Total Income		9,200	76,310	85,510
<b>Expenditure on:</b>				
Charitable activities	4,5	3,289	91,605	94,894
Total expenditure		3,289	91,605	94,894
<b>Net income/(expenditure)</b>		5,911	-15,295	-9,384
<b>Transfers between funds</b>		13,468	-13,468	-
<b>Net movement in funds</b>		19,379	-28,763	-9,384
<b>Reconciliation of funds:</b>				
Funds b/fwd		23,366	28,763	52,129
Funds c/fwd		42,745	-	42,745

*The notes on pages 15 to 24 form part of these financial statements*

**VOLA Consortium**  
**Balance Sheet**  
**As at 31 March 2020**

Company Number: 08746685

	Note	2020 £	£	2019 £
<b>Current Assets</b>				
Debtors	9	9,733		20,324
Cash at bank and in hand	10	28,638		38,095
		<u>38,371</u>		<u>58,419</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>17,424</u>		<u>15,674</u>
<b>Net Current Assets</b>			20,947	42,745
<b>Total Net Assets</b>	15		<u>20,947</u>	<u>42,745</u>
<b>Funds of the charity</b>				
Designated Funds			-	-
General Fund			<u>20,947</u>	<u>42,745</u>
<b>Total Unrestricted Funds</b>	13		<u>20,947</u>	<u>42,745</u>
<b>Restricted Fund</b>			-	-
<b>Total Restricted Fund</b>	14		<u>-</u>	<u>-</u>
<b>Total Funds</b>			<u>20,947</u>	<u>42,745</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

**The financial statements were approved by the board of trustees on 26 October 2020**

  
**Damian France**  
**Chair of Trustees**

*The notes on pages 15 to 24 form part of these financial statements*



# VOLA Consortium

## Notes to the Accounts

### For the year ended 31 March 2020

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#### **1 Accounting Policies**

##### **1a. Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Companies Act 2006 and the UK Generally Accepted Accounting Practice amended for accounting periods commencing from 1 January 2016.

VOLA Consortium meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The functional currency used by VOLA Consortium is the £ Sterling.

##### **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# VOLA Consortium

## Notes to the Accounts (*continued*)

### For the year ended 31 March 2020

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#### **1 Accounting Policies (cont.)**

##### **1b. Preparation of the accounts on a going concern basis**

An assessment of income streams and the required fixed and variable overheads required to complete the ongoing projects successfully, the trustees consider that the accounts should be prepared on a going concern basis.

At the time of approving the financial statements and as detailed in the Trustees' report, the trustees have considered the impact of Covid-19 on the charity and the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1c. Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### **1d. Deferred income**

Income from donations and grants, including capital grants are deferred when the following conditions are met:

- a) when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods
- b) when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions for use have been met.

##### **1e. Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

#### **1e. Donated services and facilities (cont.)**

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### **1f. Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- a) Expenditure on charitable activities includes the educational activities undertaken to further the purposes of the charity and their associated support costs.
- b) Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **1g. Funds Accounting**

All income and expenditure together with gains and losses are allocated to a specific charitable fund.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be used solely for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further details of restricted funds together with their purposes are set out in note 14.

#### **1h. Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **1i. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1j. Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **1k. Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.



VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**2. Donations & Legacies**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Donations	300	9,200
	<u>300</u>	<u>9,200</u>

**3. Charitable Activity Income**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Greenbank College – New Futures (Unrestricted)	36,949	-
Greenbank College – Working Futures (Restricted)	-	76,310
	<u>36,949</u>	<u>76,310</u>

VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**4. Charitable activities**

	Education and training £	Total 2020 £	Total 2019 £
Direct staff costs	50,708	50,708	45,380
Project costs	2,750	2,750	14,200
Share of support costs (see note 5)	3,669	3,669	33,514
Share of governance costs (see note 5)	1,920	1,920	1,800
	<u>59,047</u>	<u>59,047</u>	<u>94,894</u>

The direct staff costs are the total seconded staff costs charged to VOLA

**Analysis by fund**

Restricted funds	-	-
Unrestricted funds	<u>59,047</u>	<u>59,047</u>
	<u>59,047</u>	<u>59,047</u>

**For the year ended 31 March  
2019**

Restricted funds	91,605	91,605
Unrestricted funds	<u>3,289</u>	<u>3,289</u>
	<u>94,894</u>	<u>94,894</u>

**5. Support costs**

	Support costs £	Governance costs £	2020 £	2019 £	Basis of allocation
Contribution to overheads	3,669	-	3,669	33,514	Allocated to education and training
Independent examiners fees	<u>-</u>	<u>1,920</u>	<u>1,920</u>	<u>1,800</u>	Allocated to education and training
	<u>3,669</u>	<u>1,920</u>	<u>5,589</u>	<u>35,314</u>	

VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**6. Financial instruments**

	<b>2020</b>	2019
	<b>£</b>	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>38,371</u>	<u>58,419</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>17,424</u>	<u>15,674</u>

**7. Trustees**

No remuneration was paid to trustees during the year (2019 - nil)

No Expenses were reimbursed to trustees during the year (2019 - nil)

**8. Related Party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Aggregate compensation	<u>21,159</u>	<u>26,070</u>
	<u>21,159</u>	<u>26,070</u>

There were no other related party transactions during the year

**9. Debtors**

	<b>2020</b>	2019
	<b>£</b>	£
Trade debtors	<u>9,733</u>	<u>20,324</u>
	<u>9,733</u>	<u>20,324</u>

**10. Cash at bank and in hand**

	<b>2020</b>	2019
	<b>£</b>	£
Cash at bank	<u>28,638</u>	<u>38,095</u>
	<u>28,638</u>	<u>38,095</u>

**11. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£</b>	£
Trade creditors	15,504	13,874
Accruals and deferred income	<u>1,920</u>	<u>1,800</u>
	<u>17,424</u>	<u>15,674</u>



VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**12. Funds held as agent**

VOLA Consortium holds funds as agent totalling £484 (2019: £NIL), in a bank account operated by the charitable company, which is payable to third parties. The bank balance and an equivalent amount payable to third parties are excluded from these accounts.

*Previous year ended 31 March 2019*

<i>Funder</i>	Balance brought forward £	<i>Received</i> £	<i>Spent</i> £	Balance carried forward 2019 £
Greenbank College				
<i>Working Futures Programme</i>	195	344,451	(344,646)	-
<i>Total funds held as agent (previous year)</i>	195	344,451	(344,646)	-

**Current year ended 31 March 2020**

<i>Funder</i>	Balance brought forward £	<i>Received</i> £	<i>Spent</i> £	Balance carried forward 2020 £
Greenbank College				
<i>New Futures Programme</i>	-	289,177	(288,693)	484
<i>Total funds held as agent (current year)</i>	-	289,177	(288,693)	484

VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**13. Unrestricted Funds**

*Previous year ended 31  
March 2019*

	Balance brought forward £	Income £	Expenditure £	Transfers between funds £	Balance carried forward 2019 £
General Fund	23,366	9,200	(3,289)	13,468	42,745
<i>Total Funds (previous year)</i>	<u>23,366</u>	<u>9,200</u>	<u>(3,289)</u>	<u>13,468</u>	<u>42,745</u>

**Current year ended 31  
March 2020**

	Balance brought forward £	Income £	Expenditure £	Transfers between funds £	Balance carried forward 2020 £
General Fund	42,745	300	(9,589)	-	33,456
General Fund - New Futures	-	36,949	(49,458)	-	(12,509)
<b>Total Funds (current year)</b>	<u>42,745</u>	<u>37,249</u>	<u>(59,047)</u>	<u>-</u>	<u>20,947</u>

VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**14. Restricted Funds**

<i>Previous year ended 31 March 2019</i>	Balance brought forward £	<i>Income</i> £	<i>Expenditure</i> £	Transfers between funds £	Balance carried forward 2019 £
<i>Working Futures</i>	28,763	76,310	(91,605)	(13,468)	-
<i>Total funds (previous year)</i>	<u>28,763</u>	<u>76,310</u>	<u>(91,605)</u>	<u>(13,468)</u>	<u>-</u>

The part-funded European Social Fund and Youth Employment Initiative *Working Futures* project concluded in December 2018. Upon review, a small balance of £13,468 was reallocated to unrestricted funding following the end of the funding agreement.

<b>Current year ended 31 March 2020</b>	<b>Balance brought forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Balance carried forward 2020 £</b>
-	-	-	-	-	-
<b>Total Funds (current year)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



VOLA Consortium  
Notes to the Accounts (*continued*)  
For the year ended 31 March 2020

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**15. Analysis of Net Assets**

*Previous year ended 31 March 2019*

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net Current Assets	42,745	-	42,745
	<u>42,745</u>	<u>-</u>	<u>42,745</u>

**Current year ended 31 March 2020**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net Current Assets	20,947	-	20,947
	<u>20,947</u>	<u>-</u>	<u>20,947</u>

**16. Events after the reporting date**

As stated in this financial review and in line with Vola Consortium's accounting policies, the trustees have considered the impact of Covid-19 on the charity and the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Despite the financial challenges presented by Covid-19, since the end of the financial year, the charity has secured sufficient continuity funding for the medium term.

*Events after the reporting date*

<i>Funder</i>	Unrestricted Funds received in 2020 to date of signing £	Restricted Fund received in 2020 to date of signing £	Total Funds received in 2020 to date of signing £
NLCF Covid 19 Fund	33,962	-	33,962
LCR Cares 'Get Yourself Online'	5,000	-	5,000
<i>Total funds secured to date</i>	<u>38,962</u>	<u>-</u>	<u>38,962</u>