
LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

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LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees

Jeremy Garth Hodgkinson, (Chair)
Gregory Mitten
Joyce Christine Blythe, Treasurer
Elaine Louise Barker
Tracy Ann Hopkins
Yakub Patel
Lynn Saggerson
Nasima Bahadur Zaman

Company registered number

6402216

Charity registered number

1126484

Registered office

Boulevard Centre
45 Railway Road
Blackburn
Lancashire
BB1 1EZ

Company secretary

Jeremy Garth Hodgkinson

Accountants

CW Accountants Limited
30 Brotherston Drive
Blackburn
Lancashire
BB 4EJ

Bankers

Yorkshire Bank
25 Manchester Road
Burnley
BB11 1HX

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the financial statements of the Charity for the 1 April 2019 to 31 March 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

LACVS was formed in 2007 as a charitable company by the sub-region's district-based Councils for Voluntary Service (CVS). It was established to foster closer collaboration including sharing resources, supporting local delivery and acting as a vehicle for a coordinated sub-regional voluntary, community, faith and social enterprise (VCFSE) sector voice

The Objects of the charity are:

"To promote any charitable purpose for the benefit of the community in the Lancashire Sub Region, which includes the local government areas of Blackburn with Darwen Unitary Authority, Blackpool Unitary Authority and Lancashire County Council (hereinafter called the "Area of Benefit") and in particular, the advancement of education, the protection of health and the relief of poverty, distress and sickness and in furtherance of the said purposes, but not further or otherwise, to promote and organise co-operation in the achievement of the same among the members of the Association in the Area of Benefit."

LACVS's vision is of a vibrant, diverse and sustainable Lancashire sub-region with a strong, independent and effective VCFSE sector that improves people's quality of life and contributes to thriving communities.

LACVS, its Members and Associates have strong values and are committed to:

- supporting voluntary action that empowers local communities and changes lives, helping to harness the skills, talent and energy that are at the heart of strong and healthy communities
- enabling citizens to be active in their communities both individually and collectively - particularly those whose full participation in society is limited by economic disadvantage, institutional discrimination and exclusion
- a VCFSE sector that is vibrant, diverse and independent
- collaboration that improves support for the sector with services that are responsive to local need and of a consistent and quality standard
- enabling the voices of local people to be heard through effective representation that links the VCFSE sector to decision makers across localities, districts and the sub-region
- campaigning on issues that affect the VCFSE and local communities' quality of life
- the accountability of LACVS, its Members and Associates.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

a. POLICIES AND OBJECTIVES - continued

The collaborative work of LACVS, its Members and Associates, is rooted in local communities and reaches out to 1,000s of VCFSE organisations. It is delivered by staff and volunteers from centres across the sub-region.

Services include:

- helping VCFSE organisations to set up and make a difference
- offering practical support to Trustees, staff, and volunteers, helping groups to become stronger with information, guidance and training in areas like funding/sustainability, governance, compliance and business planning
- running local forums and networks of VCFSE organisations that enable:
 - them to link with their own and other sectors to share information and co-operate
 - their voices to be heard and influence policy and decisions on issues that matter to communities across localities, districts and sub-regionally
- brokering and supporting volunteering opportunities and helping organisations that involve volunteers in their work
- enabling local people to connect to local VCFSE services, utilising extensive information and contacts for the local sector, whether to access support or volunteer
- developing collaborative projects at neighbourhood level that help economically inactive, unemployed, isolated or vulnerable residents
- managing grant programmes that local organisations can access to resource their vital work
- innovative asset-based community development work that harnesses the skills, capacities and resources within local communities, so they can find local solutions to need
- social prescribing project work that supports health and wellbeing in the community
- running projects that meet need and/or fill a gap in provision.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES AND REVIEW OF ACTIVITIES

LACVS's project delivery work over the year included being a partner in Strengthening Communities Volunteering in Lancashire, a European funded programme supporting vulnerable citizens led by a partnership of BwD Borough Council, Community CVS, Lancashire Volunteering Partnership and Lancashire Adult Learning. The programme was designed to support individuals overcome barriers to employment, access learning and training to improve their skills and find meaningful volunteering opportunities to help gain experience for work.

This was the final year of the Project, which over its lifespan supported 711 participants. Its support has enabled 123 people to move into education and training and 111 become employed or moving to job search. The programme cost a total of £1,780,895 with social value from its outcomes of £3,360,484.58

LACVS completed its participation in Building Better Opportunities (BBOs), a pan-Lancashire programme funded by BIG Lottery and European funding that supported progression and change in the lives of 1,000s of citizens, including:

- unemployed / economically inactive beneficiaries aged 50+.
- young people who are aged 15–24 and who are not in employment, education or training (NEET)
- individuals who face multiple and complex barriers to employment
- individuals who face digital exclusion, are unemployed and economically inactive

LACVS, with Lancashire BME Network as lead, was also a delivery partner with Al-Hayat and Lancashire County Council in providing ESOL support in the final phase of Lancashire Refugee Resettlement Programme. The programme worked with adult refugees (aged 19 or over) that had recently arrived in districts in Lancashire sub-region as part of the Syrian Resettlement Programme and the Vulnerable Children Resettlement Scheme. LACVS's support for learners included arranging venues for courses and childcare and working with other agencies to overcome barriers to participation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

b. ACTIVITIES FOR ACHIEVING OBJECTIVES AND REVIEW OF ACTIVITIES - continued

LACVS has also played an active role in sub-regional bodies such as ONE Lancashire, which has been reviewing its future role and a new leadership group, the Lancashire and South Cumbria VCFSE Alliance. The Alliance has developed against the backdrop of continuing change to health structures in the sub-region including the new Integrated Care System with partnership bodies across five geographical footprints.

LACVS members continued to take a lead role in innovative social prescribing work utilising their strong links within local communities and the VCFSE sector in their areas. Working closely with health authorities as funders plus local authorities and others, it has enabled non-medical interventions delivered by the wider VCF groups to provide activities to improve health and wellbeing for individuals.

LACVS's members' initial work on COVID-19 responses has included helping to co-ordinate volunteering in local communities for those affected most by the pandemic and supporting frontline groups in their work. LACVS also worked with other VCFSE bodies in a successful national campaign for the securing of £750 million towards the VCFSE's support for local communities affected by the virus.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

Trustees have complied with their responsibility to have due regard to the Commission's guidance on public benefit in exercising their powers and duties. Trustees are fully aware of their roles and responsibilities and in planning their activities for the year have kept in mind the Charity Commission's guidance at Trustee meetings.

LACVS brings benefit to the public in line with its Objects through:

- collaborative working to support community and voluntary action that empowers local communities that meets need and improves quality of life;
- services that enable new frontline groups to form to meet unmet local need and existing ones to improve;
- direct support to volunteers and assistance to volunteer involving organisations that bring a range of positive impacts on individuals and their communities;
- supporting and providing frontline projects and services that help economically inactive, unemployed, isolated or vulnerable people.

d. VOLUNTEERS

LACVS is grateful for the contribution of volunteers to its members' work in areas such as supporting the running of local offices, administration and delivery of project services.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

b. FINANCIAL REVIEW

LACVS's total incoming resources and expenditure for the year was £357,196 and £441,498, respectively. Income was primarily related to ESOL project work (nearly £320,000). There was a net movement in funds of - £84,302 due to expenditure of restricted funds received in earlier periods. Total unrestricted funds of £26,155 were carried forward. LACVS has a reserves policy to hold unrestricted income expenditure equivalent 6 months' running costs, approximately £7,500.

c. PRINCIPAL FUNDING

Principal funding was from Lancashire County Council for ESOL provision.

Structure, governance and management

a. CONSTITUTION

Lancashire Association of Councils for Voluntary Service (CVS) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 18 October 2007. It is registered as a charity with the Charity Commission.

Membership of the charity is open to authorised representatives from Councils for Voluntary Service (CVS) and other VCFSE organisations whose primary role is delivery of infrastructure services in Lancashire sub-region as approved by the Trustees. The current membership is: Hyndburn and Ribble Valley CVS, Burnley, Pendle and Rossendale CVS, Blackburn with Darwen CVS, Blackpool, Wyre and Fylde CVS, Lancashire BME Network, Lancaster District CVS, West Lancashire CVS and Volunteer Centre Blackpool Wyre and Fylde. The members each agree to contribute £1 in the event of the charity winding up.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

As set out in the Articles of Association the Chair and Treasurer of the Charity are appointed by the Trustees. The AGM's formal business includes the retirement of Trustees and the filling of vacancies. The current Trustees are Chief Officers and a Trustee of their nominating bodies and bring extensive experience of voluntary sector management, governance, business planning and have a good understanding of the contents of the Memorandum and Articles of Association and their legal obligations under charity and company law.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Induction and training are available for new Trustees. All Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees administers the charity. The Board meets at least 6 times per year. Trustees have the power to delegate functions to committees appointed by them provided at least one member is a Trustee or an authorised representative and there are robust reporting procedures back to the Board.

The Board includes input from an Associate Member, Chorley Voluntary Community and Faith Sector Network, whose representative attends meetings in a non-voting capacity (this place is currently vacant).

e. RELATED PARTY RELATIONSHIPS

There were no related party transactions in the year ended 31 March 2020.

f. RISK MANAGEMENT

The Trustees have a risk management strategy which comprises: review of the risks that the charity may face; the establishment of systems and procedures to mitigate those risks; and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The charity is continuing work on improving its policies and procedures and systems as its collaborative work programmes grows, including monitoring and project reporting. It also, during the year, prepared for compliance with the requirements of General Data Protection Regulation covering citizen¹ rights and data privacy regulation.

Trustees engage Burnley, Pendle and Rossendale CVS in support of administration and financial controls and a consultant who assists the Board in its co-ordination and development.

A key element in the management of financial risk is the setting of a reserves policy which is kept under review by trustees (see Financial Review below).

Plans for future periods

a. FUTURE DEVELOPMENTS

LACVS will be playing a major role in 2020-21 through its members in the further delivery and development of social prescribing work in the sub-region. This includes local support through link workers, grants that support the work of the local sector plus the development of Lancashire and South Cumbria Collaborative Group, working with the National Academy for Social Prescribing to develop a Thriving Communities Programme across regions.

LACVS and its members are also heavily involved in supporting ongoing work in responding to the challenges of COVID-19, from supporting the work of local frontline groups, to co-ordinating volunteers and providing access to grant funding. One of LACVS's priorities for the year will be to support responses to the economic consequences of the pandemic which will affect many already deprived communities. LACVS members will also be playing key roles as Lancashire Liaison Leads in the VCS Emergencies Partnership and as members of Local Resilience Forums.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

a. FUTURE DEVELOPMENTS - continued

LACVS's members will also be engaged in health and other partnership structures across districts, connecting with their local VCFSE sectors and ensuring that their voices are heard and vital work is recognised. They will continue to engage in bodies such as Lancashire and South Cumbria VCFSE Alliance in the context of continuing change to structures.

LACVS will also work collaboratively in project delivery over the year. This will include a further round of Lancashire Refugee Resettlement Programme with Lancashire BME Network continuing act as lead. It is likely that LACVS will also be involved in the Government's Kickstart Scheme, which provides funding to employers to create job placements for 16-to-24-year olds on Universal Credit.

This will include members both hosting placements and facilitating the involvement of VCFSE bodies in their local areas.

The importance of infrastructure services has been demonstrated by the crucial role played by LACVS and its members in supporting the VCFSE sector to respond to the many challenges faced by communities over recent months with the effects of the pandemic. The importance of volunteering has been demonstrated by the scale and impact of voluntary effort. LACVS has also been able to draw from its strengths to be a key part of new approaches such as social prescribing, Population Health management and calls to action.

This work continues at a time when funding for core infrastructure work is very difficult to secure. LACVS is committed to making the most of new opportunities whilst keeping sight of its strong values and strengths. These includes a focus on local communities and expertise in support for VCFSE groups, volunteer development and innovative work such as asset-based community development.

MEMBERS' LIABILITY

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

INDEPENDENT EXAMINER

A resolution will be proposed at the Annual General Meeting that Gillian Davies of CW Accountants be appointed as Independent Examiner for 2020-21.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Lancashire Association of Councils for Voluntary Service for the purposes 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

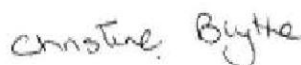
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and 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 Trustees, on 13/01/2021 and signed on their behalf by:



Jeremy Garth Hodgkinson
Trustee



Christine Blythe
Trustee

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE (the 'Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2020.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work 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 work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and 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 the Charity's accounts 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

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of AAT, which is one of the listed bodies.

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:

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.

Signed: *G DAVIES*

Dated: 29 January 2021

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Gillian Davies AAT Qualified

CW ACCOUNTANTS LIMITED

30 Brotherston Drive
Blackburn
Lancashire
BB 4EJ

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Charitable activities | 2 | 33,005 | 322,946 | 355,951 | 579,807 |
| Other income | | - | 1,245 | 1,245 | - |
| TOTAL INCOME | | 33,005 | 324,191 | 357,196 | 579,807 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 4 | 137,962 | 303,536 | 441,498 | 664,584 |
| TOTAL EXPENDITURE | | 137,962 | 303,536 | 441,498 | 664,584 |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | |
| | | (104,957) | 20,655 | (84,302) | (84,777) |
| NET MOVEMENT IN FUNDS | | (104,957) | 20,655 | (84,302) | (84,777) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 118,846 | 5,500 | 124,346 | 209,123 |
| TOTAL FUNDS CARRIED FORWARD | | 13,889 | 26,155 | 40,044 | 124,346 |

The notes on pages 14 to 22 form part of these financial statements.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)
REGISTERED NUMBER: 6402216

BALANCE SHEET
AS AT 31 MARCH 2020

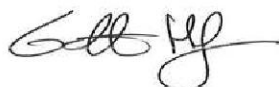
| | Note | £ | 2020 £ | £ | 2019 £ |
|---|------|----------------|---------------|----------------|----------------|
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 80,977 | | 123,348 | |
| Cash at bank and in hand | | 99,443 | | 114,219 | |
| | | <u>180,420</u> | | <u>237,567</u> | |
| CREDITORS: amounts falling due within one year | 7 | (140,376) | | (113,221) | |
| NET CURRENT ASSETS | | | <u>40,044</u> | | <u>124,346</u> |
| NET ASSETS | | | <u>40,044</u> | | <u>124,346</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 8 | | 13,889 | | 118,846 |
| Unrestricted funds | 8 | | 26,155 | | 5,500 |
| TOTAL FUNDS | | | <u>40,044</u> | | <u>124,346</u> |

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

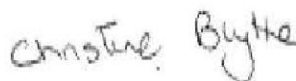
The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 13th January 2021 and signed on their behalf, by:



Jeremy Garth Hodgkinson
Trustee



Christine Blythe
Trustee

The notes on pages 14 to 22 form part of these financial statements.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|---------------|----------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 10 | (14,776) | 45,756 |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (14,776) | 45,756 |
| Cash and cash equivalents brought forward | | 114,219 | 68,463 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents carried forward | 11 | 99,443 | 114,219 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 14 to 22 form part of these financial statements.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lancashire Association of Councils for Voluntary Service 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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page . In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

1.6 Interest receivable

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.

1.7 Debtors

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

1.8 Cash at Bank and in hand

Cash at bank and 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.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

LANCASHIRE ASSOCIATION OF COUNCILS FOR VOLUNTARY SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. INCOME FROM CHARITABLE ACTIVITIES

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Grants receivable | 33,005 | 322,946 | 355,951 | 579,807 |
| <i>Total 2019</i> | <i>283,856</i> | <i>295,951</i> | <i>579,807</i> | |

GRANTS RECEIVABLE

| | Restricted Funds 2020 £ | Unrestricted Funds 2020 £ | Total Funds 2020 £ | Total Funds 2019 £ |
|---|-------------------------------|---------------------------------|--------------------------|--------------------------|
| One Lancashire CISP/ESF grant | - | - | - | 262,981 |
| Selnet Ltd - Building Better Opportunities Funding - AOP/IY/CF | 25,358 | - | 25,358 | 10,770 |
| Lancashire County Council - ESOL provision | - | 319,946 | 319,946 | 295,951 |
| Workers Education Assoc - BBO4 | 7,647 | - | 7,647 | 10,105 |
| Creative Works Preston | - | 3,000 | 3,000 | - |
| Total | 33,005 | 322,946 | 355,951 | 579,807 |

3. CHARITABLE ACTIVITIES

| | Total 2020 £ | Total 2019 £ |
|-----------------------------------|-----------------|--------------------|
| Accounting and book-keeping costs | - | 4,800 |
| Subscriptions and sundry costs | 68 | 220 |
| Insurance | 295 | 295 |
| Office rent at Preston | 415 | 4,980 |
| Consulting fees | - | 6,592 |
| Project delivery costs | 440,480 | 647,457 |
| | 441,258 | 664,344 |
| <i>Total 2019</i> | <i>664,344</i> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. CHARITABLE ACTIVITIES (continued)

In 2020 of the total charitable activities, £303,296 (2019 - £290,050) was expenditure from unrestricted funds and £137,962 (2019 - £374,294) was expenditure from restricted funds.

4. GOVERNANCE COSTS

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Governance accountancy fees (including previous years) | - | 240 | 240 | 240 |

In 2019, of the total governance costs, £240 was expenditure from unrestricted funds and £Nil was expenditure from restricted funds.

5. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | | |
|-----------------------------|-----|-----|
| Governance accountancy fees | 240 | 240 |
|-----------------------------|-----|-----|

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

6. DEBTORS

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| Prepayments and accrued income | - | 24,844 |
| Accrued income | 80,977 | 98,504 |
| | 80,977 | 123,348 |

7. CREDITORS: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Funds held | 760 | 760 |
| Accruals and deferred income | 139,616 | 112,461 |
| | 140,376 | 113,221 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. CREDITORS: Amounts falling due within one year (continued)

| | £ |
|--------------------------------------|-------------|
| Deferred income | |
| Deferred income at 1 April 2019 | 71,988 |
| Resources deferred during the year | - |
| Amounts released from previous years | (71,988) |
| | <hr/> |
| Deferred income at 31 March 2020 | <hr/> <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Balance at 31 March 2020 £ |
|---|---------------------------------|----------------|------------------|-------------------------------------|
| Unrestricted funds | | | | |
| General Funds | 5,500 | 324,191 | (303,536) | 26,155 |
| Restricted funds | | | | |
| Selnet Ltd - Building Better Opportunities Funding - AOP/IIY/CF | (9,691) | 25,358 | (23,556) | (7,889) |
| One Lancashire - CISP/ESF grant | 119,476 | - | (97,698) | 21,778 |
| Workers Education Assoc - Building Better Opportunities - BBO4 | 9,061 | 7,647 | (16,708) | - |
| | 118,846 | 33,005 | (137,962) | 13,889 |
| Total of funds | 124,346 | 357,196 | (441,498) | 40,044 |

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2019 £ |
|---|---------------------------------|-------------|------------------|----------------|-------------------------------------|
| General Funds | 7,032 | 295,951 | (290,290) | (7,193) | 5,500 |
| Restricted funds | | | | | |
| Selnet Ltd - Building Better Opportunities Funding - AOP/IIY/CF | (3,562) | 10,770 | (16,899) | - | (9,691) |
| One Lancashire - CISP/ESF grant | 203,785 | 262,981 | (347,290) | - | 119,476 |
| Lancashire County Council - ESOL provision | 10,488 | - | - | (10,488) | - |
| Lancashire County Council - ESOL provision - grants paid in advance | (17,681) | - | - | 17,681 | - |
| Workers Education Assoc - Building Better Opportunities - BBO4 | 9,061 | 10,105 | (10,105) | - | 9,061 |
| | 202,091 | 283,856 | (374,294) | 7,193 | 118,846 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|----------------|------------------|-------------------------------------|
| General funds | 5,500 | 324,191 | (303,536) | 26,155 |
| Restricted funds | 118,846 | 33,005 | (137,962) | 13,889 |
| | <u>124,346</u> | <u>357,196</u> | <u>(441,498)</u> | <u>40,044</u> |

SUMMARY OF FUNDS - PRIOR YEAR

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2019 £ |
|------------------|---------------------------------|----------------|------------------|----------------|-------------------------------------|
| General funds | 7,032 | 295,951 | (290,290) | (7,193) | 5,500 |
| Restricted funds | 202,091 | 283,856 | (374,294) | 7,193 | 118,846 |
| | <u>209,123</u> | <u>579,807</u> | <u>(664,584)</u> | <u>-</u> | <u>124,346</u> |

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Current assets | 56,686 | 123,734 | 180,420 |
| Creditors due within one year | (42,797) | (97,579) | (140,376) |
| | <u>13,889</u> | <u>26,155</u> | <u>40,044</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Restricted funds 2019 £</i> | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Current assets | 118,846 | 118,721 | 237,567 |
| Creditors due within one year | - | (113,221) | (113,221) |
| | <u>118,846</u> | <u>5,500</u> | <u>124,346</u> |

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 £ | 2019 £ |
|---|------------------------|----------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (84,302) | (84,777) |
| Adjustment for: | | |
| Decrease in debtors | 42,371 | 90,460 |
| Increase in creditors | 27,155 | 40,073 |
| Net cash (used in)/provided by operating activities | <u>(14,776)</u> | <u>45,756</u> |

11. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 £ | 2019 £ |
|--------------|----------------------|-----------------------|
| Cash in hand | 99,443 | 114,219 |
| Total | <u>99,443</u> | <u>114,219</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. RELATED PARTY TRANSACTIONS

No related party transactions occurred during the year to 31 March 2020.

13. CONTROLLING PARTY

The Charity is controlled by the Trustees.