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ACOVO LIMITED
EXECUTIVE REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

McGuire + Farry
Chartered Certified Accountants



ACOVO LIMITED

Company Information

Directors: Eric Rainey – Vice Chairperson
Wendy Osborne – Treasurer
Gail Ferguson
Joan Devlin
Robin McRoberts
Stephen Matthews
Olwen Lyner – Chairperson
Gary Crothers
Josephine Marley
Marie Crossan

Secretary: Majella McCloskey

Company Number: NI 37439

Registered Office: 34 Shaftesbury Square
Belfast
BT2 7DB

Auditors: McGuire + Farry
Emerson House
Carryduff
Belfast
BT8 8DN

Business Address: 34 Shaftesbury Square
Belfast
BT2 7DB

ACOVO LIMITED

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ACOVO LIMITED

1.

YEAR ENDED 31st MARCH 2006

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31 March 2006.

Principal Activity and Results for the Year

The principal activity for the Association for Chief Officers for Voluntary Organisations ("ACOVO") is the promotion of effective leadership for the voluntary and community sector in Northern Ireland. Net incoming resources for the year amounted to £76,614 (2005 incoming of £123,377) and is attributable to the principal activity.

Reference and Administrative Details

ACOVO is a company limited by guarantee. The organisation has an Executive Committee of no more than 12 members, all of whom must be drawn from the membership of the Association. The Executive Committee members are all Directors of the Company. The following individuals were members of the Executive Committee and Directors of ACOVO for the period 2005/06.

- Olwen Lyner (Chairperson)
- Eric Rainey (Vice Chair) Re-appointed 17 October 2005
- Wendy Osborne (Treasurer)
- Jo Marley Re-appointed 17 October 2005
- Robin McRoberts
- Gary Crothers
- Stephen Mathews
- Joan Devlin
- Sandara Kelso-Robb Resigned 17 October 2005
- Marie Crossin Appointed 17 October 2005
- Gail Ferguson Appointed 17 October 2005

The Association employed three individuals during 2005/2006. These were a placement student, as well as Tracey McCreanor, Finance and Admin Officer and Majella McCloskey, ACOVO's Director.

Structure, Governance and Management

During 2005/06 ACOVO's Executive Committee reviewed role descriptions for the Office Bearers and Board members of ACOVO. ACOVO also reviewed its induction processes for new trustees. All new trustees received a formal induction process, which included

- Information about roles and responsibilities of the Executive Committee,
- Background to the organisation, including the association's mission, objectives, operational and financial management,
- A pack with background information, including the constitution, audited accounts, strategic plan and Director's job description was also provided.

In addition, during this period the Executive Committee undertook an assessment of skills and interests of their members, and undertook Equal Opportunities monitoring for all Executive Committee members. The Executive Committee and staff undertook a planning day on 8 December 2005 to review the Strategic Plan and prepare an Operational plan for 2006/07. The Executive Committee meets 6 times a year, and is fully engaged in managing and monitoring the work of ACOVO.

Risk Management

The Executive Committee has considered the major risks to which ACOVO is exposed. Systems and procedures have been established to mitigate those risks. A risk register has been established and the Executive Committee reviews the risk register.

Objectives and Activities

2.

Mission Statement

The purpose of ACOVO is to help meet the support and development needs of Chief Officers of voluntary and community organisations and by so doing, to improve their effectiveness and enhance the contribution of their organisations to life in Northern Ireland

VALUES

The following are the core values of ACOVO:

We are member focussed

We will carry out a regular survey and Needs Analysis with members. Our Members & Services Sub-Committee will base its planning on the needs identified by members.

We strive for transparency and accountability

Our activities will be carried out in a spirit of openness, honesty, integrity, accountability and trust. We will publish an Annual Report & Accounts, and make our Balanced Scorecard performance reports available to members and funders.

We value effectiveness

ACOVO will support teamwork and will show that it values people within the organisation through regular performance appraisal and development planning. We will actively seek feedback on, and evaluate, our performance.

We support excellence

We seek to be innovative and are committed to continuous improvement. We are committed to achieving the Investors in People standard, and to supporting ACOVO members seeking to achieve the standard.

We value diversity

We will offer equality of opportunity and will treat individuals with dignity and respect at all times.

OUR VISION

Our vision for the next three years continues to be rooted in the commitment to provide quality personal and professional development and support for Chief Officers in the voluntary and community sector.

By March 2007 we anticipate ACOVO to be a vibrant organisation with a proven track record of enhancing the capability of its Chief Officer members through a variety of creative means, continuing to equip those tasked with leading organisations to lead well.

ACOVO's Strategic Aims

Professional Development

- Signposting our members to appropriate sources of training and support
- Providing training and development which our members cannot access elsewhere, or which needs to be provided in a 'safe environment' with peers

Support

- Providing access to information needed by our members, through a comprehensive resource library
- Promoting useful networking among members, and with other leaders

Raise Profile and Provide a Voice

- Promoting the role of the voluntary and community sector Chief Officer
- Providing a voice for our members on key issues
- Supporting members' capacity to influence government on key issues

Organisational Development

- Ensuring sustainability for the long term
- Learning, developing and improving quality of services

Volunteers

Apart from volunteer Executive Committee members, ACOVO did not have any other contributions to its activities, from volunteers. However, the Association put in place plans to invite the involvement of volunteers during 2006/07, including drafting a volunteer policy.

Achievement and Performance

ACOVO uses the Balanced Scorecard to monitor performance, which the Executive Committee assesses at every meeting. A table is provided below to detail targets for 2005/06, set against performance. ACOVO's main achievements can be summarised as:

22 new members this year.

66% of members attended an event or met with the Director in person to discuss ACOVO's services and work.

81% of members either attended an event or actively engaged in other services (email help, library use or other type of service).

Launch of good practice guide, "Guide to Employment of Staff".

87% attended an event, engaged in other events or sent a delegate to an event.

65 books or other resources on loan from the library. 17 users of this service this year.

2 members have used the Confidential Counseling service.

16 strategic training or development with events organised and delivered for third sector leaders.

Minister for Social Development attended 2005 AGM and followed up with a meeting with the Executive Committee.

Over 100 Email Briefings to members.

Achieved Investors in People Standard.

Financial Review

Principal Funding Sources

ACOVO derived its income from 3 sources, which were self-generated income from membership fees and services, sponsorship and grant income. The Department for Social Development provided £48,513

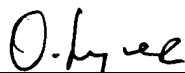
Reserves Policy

The Executive Committee aims to maintain free reserves in unrestricted funds at a level, which equates to approximately 3 months of expenditure. The actual level of reserves at 31 March 2006 was £28,774 (including designated funds of £8,718 for maternity pay).

Plans for the Future

During 2006/07 ACOVO will be developing a new 3 year Corporate Plan 2007/2010. The planning process will include engagement with members and key partner organisations, as well as the Executive Committee and staff. The association will be reviewing its membership structures in light of any changes to the Mission and aims of the association. Key issues impacting on the work of the association will be

- The need for members of the association, to prepare for the implementation of the RPA in Northern Ireland.
- The changes to charity legislation and the establishment of a Charity Commission for NI
- The demands for modernisation in the voluntary and community sector, including increasing demands on chief officers in the sector.
- Declining resources within the sector and the impact of public service delivery in NI.



O. Lyner – Chairperson

INDEPENDENT AUDITOR'S REPORT**YEAR ENDED 31ST MARCH 2006**

We have audited the financial statements on pages 9 to 24 which have been prepared under the historical cost convention and the accounting policies set out on pages 15 and 16.

This report is made solely to the company's members, as a body, in accordance with Article 243 of the Companies (NI) Order 1986. Our audit work has been undertaken so that we might state to the company members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

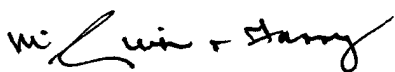
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2006 and of its income and expenditure for the year then ended, they have been properly prepared in accordance with the provisions of the Companies (Northern Ireland) Order 1986 and the information given in the directors report is consistent with the financial statements.



McGuire + Farry
Chartered Certified Accountants
06 November 2006

Emerson House
Carryduff
Belfast BT8 8DN

ACOVO LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2006

	Notes	Restricted	Unrestricted	2006 Total	2005 Total
<u>Incoming Resources</u>					
Incoming resources from Charitable activities	1				
Grants Received	2	48,513	0	48,513	77,129
Incoming resources from Generated funds	1				
Membership Income		0	10,650	10,650	10,500
Income from Events		0	9,010	9,010	29,554
Sponsorship		0	7,200	7,200	4,567
Other incoming resources					
Sundry Income		0	1,241	1,241	1,627
Total Income Resources		<u>48,513</u>	<u>28,101</u>	<u>76,614</u>	<u>123,377</u>
<u>Resources Expended</u>					
Charity activities		44,865	14,887	59,752	87,552
Costs of generating funds		0	10,062	10,062	23,390
Governance costs		3,648	1,125	4,773	600
		<u>48,513</u>	<u>26,074</u>	<u>74,587</u>	<u>111,542</u>
<u>Net Incoming/(Outgoing) Resources</u>		0	2,027	2,027	11,835
Funds at 1 st April 2005		<u>0</u>	<u>26,749</u>	<u>26,749</u>	<u>14,914</u>
Funds at 31st March 2006		<u>0</u> =====	<u>28,776</u> =====	<u>28,776</u> =====	<u>26,749</u> =====

ACOVO LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

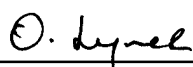
YEAR ENDED 31ST MARCH 2006

	2006	2005
<u>Income</u>		
Income – Continuing Operations	76,614	123,377
<u>Expenditure</u>		
Net Operating Expenditure	74,587	111,542
	<hr/>	<hr/>
Operating Surplus – continuous operations	2,027	11,835
	=====	=====
<u>Retained Surplus for the Year</u>	2,027	11,835
	=====	=====

ACOVO LIMITED

BALANCE SHEET AS AT 31ST MARCH 2006

	Notes	2006	2005
<u>Fixed Assets</u>			
Tangible Assets	4	4,198 -----	10,091 -----
<u>Current Assets</u>			
Stock of reference material		500	0
Prepayments and Accrued Income		6,348	12,004
Cash at Bank		23,108	16,468
		-----	-----
		29,956	28,742
<u>Creditors: Due within one Year</u>	6	5,380	6,863
		-----	-----
<u>Net Current Assets</u>		24,576	21,609
		-----	-----
<u>Total Assets Less Current Liabilities</u>		28,774	31,700
Capital Grants	7	0	4,953
		-----	-----
		28,774 =====	26,747 =====
<u>Capital and Reserves</u>			
Unrestricted Funds:			
General Funds		20,056	26,747
Designated Funds	8	8,718	0
		-----	-----
		28,774 =====	26,747 =====



O. Lyner – Chairperson



W. Osborne – Treasurer

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006**1. Accounting Policies**Accounting Convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Turnover

Income of the company represents monies received from membership, events and grant aid.

Tangible Fixed Assets and Depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 20% Reducing Balance
----------------------------------	------------------------

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock

Stock is valued at the lower of cost and net realisable value.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Government Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Incoming Resources

Donations, appeals, legacies and other income is included in full in the Statement of Financial Activities when received. Revenue grants are credited to incoming resources on the earlier of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

ACOVO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006Resources Expended

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have all been allocated to activities on a basis consistent with the use of resources.

Governance costs include audit, legal, consultancy and other administration costs not attributable to generating funds or service and project delivery.

Fund Accounting

The Restricted funds are to be used for specified purposes by reference to the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overheads and costs.

Unrestricted funds represent other incoming resources received or generated for charitable purposes, expendable at the discretion of the Executive Committee in furtherance of the objects of the Foundation.

2. Grant Aid for Projects

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
VCU grant received	0	48,513	48,513	47,100
Community fund grant received	0	0	0	19,879
DEL	0	0	0	10,150
	<hr/>	<hr/>	<hr/>	<hr/>
	0	48,513	48,513	77,129
		=====	=====	=====

3. Pension Costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,753 (2005: £3,355).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 20064. Tangible Fixed Assets

	Fixtures Fittings and Equipment	Total
Cost		
At 1 st April 2005	20,604	20,604
Additions	2,529	2,529
Disposals	(18,000)	(18,000)
	<hr/>	<hr/>
At 31 st March 2006	5,133	5,133
	<hr/>	<hr/>
Depreciation		
At 1 st April 2005	10,513	10,513
On Disposals	(10,627)	(10,627)
Charge for the year	1,049	1,049
	<hr/>	<hr/>
At 31 st March 2006	935	935
	<hr/>	<hr/>
<u>Net Book Values</u>		
At 31 st March 2006	4,198	4,198
	=====	=====
At 31 st March 2005	10,091	10,091
	=====	=====
5. <u>Debtors</u>	2006	2005
Prepayments and accrued income	6,348	12,004
	=====	=====
6. <u>Creditors: amounts falling due within one year</u>	2006	2005
Accruals and deferred income	5,380	6,863
	=====	=====

ACOVO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

7. <u>Accruals and deferred income</u>	2006	2005
<u>Government grants</u>		
At 1 st April 2005	4,953	6,191
Released in year	(4,953)	(1,238)
	<hr/>	<hr/>
At 31 st March 2006	-	4,953
	=====	=====

8. Movement in Funds**Unrestricted Funds**

	At 1 st April 2005	Incoming Resources	Outgoing Resources	Transfers	At 31 st March 2006
General Funds	26,747	28,101	(26,074)	(8,718)	20,056
Designated Funds – Maternity Pay	0	0	0	8,718	8,718
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	26,747	28,101	(26,074)	0	28,774
	=====	=====	=====	=====	=====

9. Related Party Transactions

No transactions with related parties were undertaken as are required to be disclosed under FRS8.