

**INSTITUTE FOR VOLUNTARY ACTION RESEARCH**  
(Company limited by guarantee no. 05695711  
registered charity no. 1114403)

**REPORT AND FINANCIAL STATEMENTS**

**2 FEBRUARY 2006 (Date of Incorporation) TO 31 MARCH 2007**

**REPORT AND FINANCIAL STATEMENTS**  
For the period from 2 February 2006 to 31 March 2007

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## INSTITUTE FOR VOLUNTARY ACTION RESEARCH

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

For the period from 2 February 2006 to 31 March 2007

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#### Trustees

Since incorporation

Julian Ashby  
Terry Connor  
Jane Hatfield  
Timothy Jones  
Prof. Jennifer Harrow  
Dr. Nicholas Plant  
Jonathan Fox

Other

Alison Harker

appointed February 2007

#### Company secretary

Ben Cairns

#### Director/Chief Executive

Ben Cairns

#### Company reg. no.

05695711

#### Charity reg. no.

1114403

#### Registered office

26 Russell Square  
London WC1B 5DQ

#### Auditors

Gotham Erskine LLP  
Chartered accountants & F  
Friendly House  
52 - 58 Tabernacle Street  
London EC2A 4NJ

#### Bankers

CAF Bank  
25 Kings Hill Avenue  
Kent ME19 4JQ

#### Solicitors

Barker Gooch Swailes  
37 The Green  
London N21 1HT

## **INSTITUTE FOR VOLUNTARY ACTION RESEARCH**

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### **TRUSTEES' REPORT**

**For the period from 2 February 2006 to 31 March 2007**

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The Trustees, who act as directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of Institute for Voluntary Action Research for the period ended 31 March 2007. The Trustees confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'.

#### **Structure, governance and management**

Institute for Voluntary Action Research (IVAR) was formally registered as a company limited by guarantee (05695711) on 2nd February 2006 and as a charity (1114403) on 30th May 2006.

The Trustees are responsible for the management of the Company which they delegate to a Director on a day-to-day basis.

IVAR's Board of Trustees comprises eight senior VCS practitioners, scholars and funders.

The Board meets four times a year, or more often if required. It currently has two sub-committees: a Finance and Remuneration Committee and a Personnel and Recruitment Committee.

Ben Cairns has served as the Director of the charity since his appointment on 1 July 2006.

In line with its commitment to academic rigour and excellence, Professor Margaret Harris was appointed by the Board to the post of Academic Adviser.

#### **Objectives and activities**

IVAR's charitable objects are:

- 1) To advance education in the organisation and management of the voluntary sector and other not for profit voluntary and community organisations, in particular but not exclusively through research and disseminating the useful results for the benefit of the public; and
- 2) To promote the voluntary sector for the benefit of the public by:
  - i. Liaising between charities, voluntary organisation, government agencies and other groups on relevant issues;
  - ii. Providing training, conferences and seminars on subjects relevant to the efficiency of the voluntary sector;
  - iii. Addressing the needs in the voluntary sector and establishing projects or policies to address them; and
  - iv. Providing information to the press and the public on the operation of, or problems encountered by, the voluntary sector.

IVAR's mission is to support the development and sustainability of charities and other voluntary, community and not-for-profit organisations through research, education and training.

**TRUSTEES' REPORT**

**For the period from 2 February 2006 to 31 March 2007**

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To achieve this, IVAR will:

- Focus on organisational problem-solving, learning and change
- Work collaboratively with practitioners and policy makers
- Build, refine and exchange knowledge for practice, policy and theory
- Work according to action research principles
- Aim for the highest standard of academic excellence and ethical rigour in all its work.

**Achievements and Performance**

During its first year of operation IVAR successfully completed action research projects in four broad topic areas:

- Interorganisational relationships, collaborative working and mergers;
- Governance;
- Performance improvement, Quality management and Innovation;
- Faith, community and diversity

Its research clients and partners included: the Institute for Volunteering Research (IVR); the British Association of Settlements and Social Action Centres (Bassac), the Development Trusts Association (DTA); Community Matters; the Adolescent and Childrens Trust (TACT); Children Law UK: the Independent Adoption Service (IAS); the Improvement and Development Agency (I&DeA);

We also completed two pilot capacity building programmes:

- The 'Capacity Building the Capacity Builders Programme' in London, in partnership with Bassac and the Black Training and Enterprise Group (BTEG)
- The 'Partnership Improvement Programme' (PIP) in partnership with the I&DeA.

IVAR's brand and website ([www.ivar.org.uk](http://www.ivar.org.uk)) were in use and fully operational by September 2006.

*Premises and Partnership with Birkbeck, University of London*

The successful establishment of a partnership with Birkbeck, University of London allowed us to set up IVAR's offices in Central London. IVAR has two fully serviced offices in Russell Square, as well as IT and office support from University staff.

The partnership with Birkbeck is based upon a shared desire to work together in the field of third sector research and dissemination. Co-location within Birkbeck's Faculty of Continuing Education provides opportunities to share ideas; pool resources; collaborate on research funding applications; and make a substantial impact on learning by practitioners, policy makers and academics.

During 2006-07 the inaugural Birkbeck/IVAR Seminar Series were launched around the theme of Community Organisations: Research, Policy and Practice.

**TRUSTEES' REPORT**

**For the period from 2 February 2006 to 31 March 2007**

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*Criteria For Future Success*

The extent to which IVAR continues to be successful in meeting its objectives will depend on developing client relationships, maintaining a reputation for academic excellence, and on managing the growth of the organisation.

**Financial Review**

The Trustees consider that income generated in this first year of operation of £114,363 from the charitable activities of IVAR is satisfactory. Together with core funding it has enabled IVAR to establish itself with a surplus of £67,800.

**Reserves policy**

The Board of Trustees has established a Reserves Policy designed to enable IVAR to continue to fund its charitable activities for a period of at least four months in the event that income is significantly reduced.

This policy is subject to annual review.

**Plans for Future Periods**

Building on the firm foundations established during our first year, we are committed to a number of strategic targets during the coming year:

- To maintain a mix of action research and capacity building projects in line with IVAR's mission to support the development and sustainability of charities and other voluntary, community and not-for-profit organisations
- To strengthen IVAR's infrastructure in order to build longer term organisational stability
- To widen IVAR's pool of Research Associates to ensure a wide range of skills and expertise are available to support IVAR's project work
- To develop project partnerships with other academic and research bodies in order to strengthen our collaborative approach to research and education
- To implement a plan for sharing and writing up research findings, through conferences, events and publications, in order to develop further our approach to knowledge exchange
- To deliver a second seminar series in partnership with Birkbeck
- To build an evidence base on the impact of IVAR's action research and capacity building work.

**TRUSTEES' REPORT**

**For the period from 2 February 2006 to 31 March 2007**

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**Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

**Statement of disclosure of information to auditors**

We, as the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Preparation of the report**

This report has been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

**Auditors**

The auditors, Gotham Erskine LLP have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

This report was approved and authorised for issue by the Trustees on 1 November 2007 and signed on their behalf by:

Julian Ashby  
Trustee

## **Independent auditors' report to the Members of Institute for Voluntary Action Research**

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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

### **Respective responsibilities of Trustees and auditors**

The responsibilities of the Trustees (who are also the directors of Institute for Voluntary Action Research for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Trustees' Responsibilities.

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 Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we 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 Trustees' remuneration and other transactions is not disclosed.

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

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Trustees 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, in the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

### **Gotham Erskine LLP**

Chartered Accountants & Registered Auditors

Friendly House

52 - 58 Tabernacle Street

London EC2A 4NJ

Date:

## INSTITUTE FOR VOLUNTARY ACTION RESEARCH

### STATEMENT OF FINANCIAL ACTIVITIES

(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)

For the period from 2 February 2006 to 31 March 2007

	Note	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds:				
Voluntary income	2	71,250	-	71,250
Investment income		2,300	-	2,300
Incoming resources from charitable activities		114,363	-	114,363
<b>TOTAL INCOMING RESOURCES</b>		<b>187,913</b>	<b>-</b>	<b>187,913</b>
<b>RESOURCES EXPENDED</b>				
Costs of generating funds		5,046	-	5,046
Charitable activities				
Commissioned Research projects	3	100,569	-	100,569
Governance costs	4	14,501	-	14,501
<b>TOTAL RESOURCES EXPENDED</b>	5	<b>120,116</b>	<b>-</b>	<b>120,116</b>
<b>Net Income before transfer</b>		<b>67,797</b>	<b>-</b>	<b>67,797</b>
TOTAL FUNDS AT 2 FEBRUARY 2006		-	-	-
<b>TOTAL FUNDS AT 31 MARCH 2007</b>		<b>£ 67,797</b>	<b>£ Nil</b>	<b>£ 67,797</b>

The annexed notes form part of these financial statements

**INSTITUTE FOR VOLUNTARY ACTION RESEARCH (company limited by guarantee)**

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**BALANCE SHEET**  
**As at 31 March 2007**

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	Notes	£	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	9		<b>1,459</b>
<b>CURRENT ASSETS</b>			
Debtors	11	<b>16,362</b>	
Cash at bank and in hand		<b>81,412</b>	
		<hr/>	
		<b>97,774</b>	
<b>CREDITORS: amounts falling due within one year</b>	12	<b>(31,436)</b>	
<b>NET CURRENT ASSETS</b>		<hr/>	<b>66,338</b>
<b>NET ASSETS</b>		<hr/>	<b>£ 67,797</b>
			<hr/>
<b>FUNDS</b>			
Unrestricted funds:			
General fund	13		<b>67,797</b>
		<hr/>	
		<b>£ 67,797</b>	
			<hr/>

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005). They were approved, and authorised for issue, by the Trustees on 1 November 2007 and signed on their behalf by:-

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JULIAN ASHBY, Trustee

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TIMOTHY JONES, Trustee

The annexed notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 2 February 2006 to 31 March 2007

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**1. ACCOUNTING POLICIES**

***Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective January 2005).

The effects of events relating to the period ended 31 March 2007 which occurred before the date of approval of the financial statements by the Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2007 and the results for the period ended on that

***Company status***

Institute for Voluntary Action Research is a charitable company limited by guarantee. In the event of being wound up, the liability in respect of the guarantee is limited to £1 per member.

***Fund accounting***

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects 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 which have been raised by the Charity for particular purposes. The cost 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. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

***Incoming resources***

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

***Resources Expended***

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**INSTITUTE FOR VOLUNTARY ACTION RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period from 2 February 2006 to 31 March 2007**

***Tangible fixed assets and depreciation***

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment - 25% Straight line

**2. VOLUNTARY INCOME**

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
Tudor Trust	30,000	-	30,000
Lankelly Chase Foundation	15,000	-	15,000
Esmee Fairbairn Foundation	26,250	-	26,250
	<u>£ 71,250</u>	<u>£ Nil</u>	<u>£ 71,250</u>

**3. COMMISSIONED RESEARCH PROJECT EXPENSES**

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
Research fees	73,010	-	73,010
Venue hire	1,165	-	1,165
Allocation of staff and support costs	59,842	-	59,842
	<u>£ 100,569</u>	<u>£ Nil</u>	<u>£ 100,569</u>

**4. GOVERNANCE COSTS**

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
Audit fees payable to auditors	3,290	-	3,290
Legal fees	1,205	-	1,205
Setting up fees	4,960	-	4,960
Allocation of staff and support costs	5,046	-	5,046
	<u>£ 14,501</u>	<u>£ Nil</u>	<u>£ 14,501</u>

**INSTITUTE FOR VOLUNTARY ACTION RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 2 February 2006 to 31 March 2007

**5. RESOURCES EXPENDED**

	Staff costs £	Activities under-taken directly £	Support costs £	Total 2007 £
Commissioned Research projects	<u>39,628</u>	<u>40,727</u>	<u>20,214</u>	<u>100,569</u>
Total expenditure on charitable activities	39,628	40,727	20,214	100,569
Costs of generating funds	3,441	-	1,605	5,046
Governance costs	3,441	9,455	1,605	14,501
Support costs	-	23,424	(23,424)	-
	<u>£ 46,510</u>	<u>£ 73,606</u>	<u>£ Nil</u>	<u>£ 120,116</u>

Resources expended include:

	2007 £
Auditors' remuneration:	
Audit fee	3,290
Depreciation	486
- on owned assets	<u>486</u>

Details of staff costs are given in Note 7.

**6. SUPPORT COSTS**

	2007 £
Depreciation	486
Rent and rates	2,640
Telephone	556
Website & software	2,767
Consultancy fees	9,002
Stationery	2,290
Publicity materials	1,092
Subscriptions	278
Travel and subsistence	2,847
Payroll preparation	113
Other staff costs	392
Sundry expenses	961
	<u>£ 23,424</u>

**INSTITUTE FOR VOLUNTARY ACTION RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 2 February 2006 to 31 March 2007

**7. STAFF NUMBERS AND COSTS**

	<b>2007</b>
	£
Salaries	39,850
Social security costs	4,185
Pension costs	2,475
	<u>£ 46,510</u>

The number of staff averaged of 1.5 full time equivalent in the period.  
No employee received remuneration of more than £60,000.

**8. TRUSTEES**

During the period, no Trustees received any remuneration. One Trustee received reimbursement of £89 for travel expenses.

**9. TANGIBLE FIXED ASSETS - Office Equipment**

	£
<b>Cost</b>	
Additions	<u>1,945</u>
<b>Depreciation</b>	
Charge for the period	<u>486</u>
<b>Net book value</b>	
At 31 March 2007	<u>£ 1,459</u>

**10. ANALYSIS OF THE NET MOVEMENT IN FUNDS**

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £
Net movement in funds available for charitable activity	<u>£ 69,256</u>	<u>£ Nil</u>	<u>£ 69,256</u>

**11. DEBTORS**

	<b>2007</b>
	£
<b>Due within one year</b>	
Trade debtors	<u>£ 16,362</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 2 February 2006 to 31 March 2007

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £
Trade creditors	12,183
Deferred grant income	13,750
Social security and other taxes	1,773
Pensions due	440
Accruals	3,290
	<u>£ 31,436</u>

Deferred grant income represent funding of £5,000 received from Lankelly Chase Foundation and £8,750 from Esmee Fairbairn Foundation prior to 31 March 2007 for activities to be carried out in the year ending 31 March 2008.

**13. STATEMENT OF FUNDS**

	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
<b>SUMMARY OF FUNDS</b>				
General Funds	187,913	(120,116)	-	67,797
Restricted Funds	-	-	-	-
	<u>£ 187,913</u>	<u>£ (120,116)</u>	<u>£ Nil</u>	<u>£ 67,797</u>

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted General Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,459	-	1,459
Net current assets	66,338	-	66,338
	<u>£ 67,797</u>	<u>£ Nil</u>	<u>£ 67,797</u>