

**INSTITUTE FOR VOLUNTARY
ACTION RESEARCH**

**(Company limited by guarantee no. 05695711
registered charity no. 1114403)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

INSTITUTE FOR VOLUNTARY ACTION RESEARCH

(Company limited by guarantee no. 05695711, registered charity no. 1114403)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2010

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INSTITUTE FOR VOLUNTARY ACTION RESEARCH

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2010

Trustees	Julian Ashby Timothy Jones Terry Connor Alison Harker Prof. Jennifer Harrow Jane Hatfield Dr. Nicholas Plant	Chair Treasurer
Company Secretary	Ben Cairns	
Director/Chief Executive	Ben Cairns	
Company reg. no.	05695711	
Charity reg. no.	1114403	
Registered office	32 Tavistock Square London WC1H 9EZ	
Auditors	Gotham Erskine LLP Chartered Accountants & Statutory Auditors 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	

TRUSTEES' REPORT

For the year ended 31 March 2010

The Trustees, who act as directors of the Charity 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 year ended 31 March 2010. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The 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 Charity is governed by its Memorandum and Articles of Association as amended by special resolution on 20th May 2006.

The Trustees are responsible for the management of the Charity, which they delegate to the Director on a day-to-day basis. IVAR's Board of Trustees comprises seven senior Voluntary and Community Sector (VCS) practitioners, scholars and funders. The Board meets four times a year or more often if required. It currently has two sub-committees: 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 the Charity's commitment to academic rigour and excellence, Professor Margaret Harris continues to serve as Academic Adviser.

Risk review

The Trustees confirm that the major risks to which the Charity is exposed have been reviewed, and systems and procedures have been established to manage those risks.

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:
 - (a) Liaising between charities, voluntary organisation, government agencies and other groups on relevant issues;
 - (b) Providing training, conferences and seminars on subjects relevant to the efficiency of the voluntary sector;
 - (c) Addressing the needs in the voluntary sector and establishing projects or policies to address them; and
 - (d) Providing information to the press and the public on the operation of, or problems encountered by, the voluntary sector.

IVAR's foremost commitment is to supporting the development and sustainability of voluntary sector organisations through research, education and training. IVAR is founded on a belief that these bodies have distinctive organisational features and also need to be understood in the context of their policy environment.

TRUSTEES' REPORT

For the year ended 31 March 2010

IVAR's work has a dual purpose: improving practice and contributing to shaping the policy environment for voluntary sector¹ organisations. IVAR aims to achieve this through:

- A commitment to and application of action research, working collaboratively with practitioners and policy makers on organisational problem-solving, learning and change
- A team of people who share deeply held beliefs about the importance and value of voluntary action and civil society, as well as an ideological commitment to the independence of the voluntary sector
- The practice of building, refining and exchanging knowledge for practice, policy and theory development
- The highest standard of academic excellence and ethical rigour in all its work.

The Charity is primarily interested in organisations which are actively involved in civil society, in particular organisations which have roots in associational life and voluntarism and which, through their delivery of services and/or provision of advocacy, are concerned about equity, justice, the alleviation of poverty and suffering, inclusion, cohesion and fairness. In practice, the majority of the Charity's work is with small and medium sized organisations. However, IVAR does not make decisions about work on the basis of organisational size and is currently working with some much larger organisations.

ACHIEVEMENTS AND PERFORMANCE

During its fourth year of operation IVAR continued to carry out action research projects in response to current challenges of organisation and management in the voluntary sector.

Its research clients and partners included: bassac, the Big Lottery Fund, the City Bridge Trust, the Commission for the Compact, the Community Alliance, Community Development Foundation, the Improvement and Development Agency, the Joseph Rowntree Foundation, Lankelly Chase and the Tudor Trust.

In addition, IVAR continued to develop its partnership with Birkbeck College, University of London and to benefit from co-location with Birkbeck. The fourth IVAR / Birkbeck Seminar Series, a programme of five seminars around the theme of New thinking about the third sector, was attended by more than 80 people.

2009-10 Strategy

Following the completion of a first strategic review in March 2009, the Board identified five key strategic objectives for 2009-10:

- To ensure the highest quality of delivery
- To improve the dissemination of research findings in order to improve practice, influence policy and increase awareness about IVAR's work
- To consolidate the organisation's governance, staffing and infrastructure
- To strengthen the organisation's external profile
- To secure adequate levels of income to fulfil the organisation's mission.

¹ IVAR uses the 'voluntary sector' as a broad term to cover organisations which may variously describe themselves as belonging to the 'community sector', the 'voluntary and community sector', the 'third sector', the 'nonprofit sector' and so on.

TRUSTEES' REPORT

For the year ended 31 March 2010

Project themes

IVAR's research is problem-led. To that extent, the Charity is open to working across the full spectrum of organisation and management challenges experienced by third sector practitioners. In practice, there are particular topics and issues which the Board of Trustees is committed to working on – areas in which IVAR has developed some expertise; areas which correspond more closely with the organisation's values; areas which lend themselves to action research. For 2009-10, the Board committed the organisation to carrying out projects in five broad areas:

- Interorganisational relationships, including mergers, co-location, joint ventures and cross-sector partnerships
- Advocacy and representation
- Strategy and governance, in particular: values-based strategic review; the role and practice of boards; organisational change
- Cohesion and engagement, in particular: grassroots bridge-building; community empowerment
- Impact and effectiveness.

Academic and ethical rigour

IVAR is committed to aiming for the highest standard of academic excellence and ethical rigour in all its work. The Board of Trustees committed the Charity to supporting this aim in five distinct ways:

- i. IVAR has deliberately chosen to be physically located within an academic institution with which it shares complementary interests and experience.
- ii. IVAR's Board comprises people with direct experience, expertise and interest in the relationship between theory and practice. Furthermore, there is a strong match between IVAR's 'academic' values and the values and interests of staff and associates.
- iii. The Charity promotes the benefit to client organisations of using theory in practically focused action research and knowledge exchange work.
- iv. IVAR's Academic Adviser supports and advises staff, associates and board members to:
 - mentor and advise about third sector specialist matters and on social science theories, methodologies, teaching, training, writing and ethical research practice.
 - offer an academic perspective on activities and strategic development.
 - support IVAR as a learning organisation by facilitating reflection on and synthesis of project findings.

IVAR's offer

The Board of Trustees identified four principal benefits that voluntary sector organisations may obtain from working with the Charity:

- i. IVAR's work begins with a practical problem or challenge; this becomes the research question. As part of trying to answer that question, researchers draw on earlier work which might help to shed light and provide pointers. In this way, the Charity helps to enlarge the range of tools available for the problem-solving process.
- ii. IVAR acts as a critical friend to individuals and organisations facing challenges of organisation and management.
- iii. IVAR's work produces practical solutions to challenges of organisation and management which are owned and understood by the people the Charity works with.
- iv. The outcomes of IVAR's work provide lessons and evidence which can be used both to inform policy and improve practice far beyond the research setting.

FINANCIAL REVIEW

The results of the year's activity are set out in the attached financial statements. The Charity incurred net outgoing resources for the year of £37,900 (2009 incoming resources: £99,400). Total reserves at the year-end decreased to £225,800 (2009: £257,200).

TRUSTEES' REPORT

For the year ended 31 March 2010

Reserves policy

IVAR's reserves policy establishes a target range of core reserves between four and six months' core expenditure and salaries for the level of general reserves. This is based on a risk assessment of the probability and likely impact on IVAR's charitable programme that might be caused by a decline in income, an inability to meet financial obligations, or an inability to reduce expenditure in the immediate short-term. The policy ensures a balance between spending the maximum amount of income raised as soon as possible after receipt, while maintaining the minimum level of reserves to ensure uninterrupted operation. The core reserves policy and the target range are reviewed annually to reassess the risks and reflect changes in IVAR's income, financial obligations and expenditure.

This policy would equate to a target for 'free' reserves - unrestricted reserves not matched by fixed assets - of between £127,000 and £191,000 at 31 March 2010, whilst the 'free' reserves held at that date were £216,000.

Alongside the establishment of core reserves, the Board of Trustees is also committed to reinvesting surplus funds into the active pursuit of its charitable objectives and organisational mission. To this end, the reserves policy also allows for funds to be set aside for a Research Development Fund, to provide a small working fund to support activities which may require specific investment (eg. work with smaller, less well-resourced organisations; supplementary work to disseminate research findings; exploratory work in new areas).

PLANS FOR FUTURE PERIODS

The Board identified four key strategic objectives for 2010-11:

- To ensure the highest quality of delivery
- To improve the dissemination of research findings in order to improve practice, influence policy and increase awareness of IVAR's work
- To consolidate the organisation's governance, staffing and infrastructure
- To secure adequate levels of income to fulfil the organisation's mission.

New projects planned for this period include:

- The extension of the Capacity Building the Capacity Builders Programme into a new Anchors Strategic Development Programme for senior staff from community anchor organisations in all 33 London boroughs, in collaboration with bassac and funded by the City Bridge Trust
- The further development of the role as the research partner in the new Collaboration National Support Service, in partnership with bassac, ACRE and the Community Foundation Network
- Research on 'impact' in partnership with New Philanthropy Capital
- Further work with members of the Community Alliance
- Further collaboration with the IDeA on partnership working and commissioning
- Further work with the Joseph Rowntree Foundation on the community ownership and management of assets
- Further work with the Tudor Trust and Lankelly Chase on 'funder plus'.

The fifth IVAR / Birkbeck Seminar Series will commence in November 2010.

PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The public benefit of the Charity's activities in the supporting of voluntary sector and community organisations are outlined under 'Objectives and Activities' and 'Achievements and Performance' above.

TRUSTEES' REPORT

For the year ended 31 March 2010

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Institute for Voluntary Action Research for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those 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 judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the organisation transactions and 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 2006. 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.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, as the Trustees of the Charity who held office at the date of approval of these financial statements as set out on page 1 each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity'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 Charity's auditors are aware of that information.

AUDITORS

The auditors, Gotham Erskine LLP have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

SMALL COMPANY SPECIAL PROVISIONS

The report of the Trustees has been prepared taking advantage of the small companies exemption of section 415 A of the Companies Act 2006. It was approved, and authorised for issue, by the Trustees on 25 November 2010 and signed on its behalf by:

Julian Ashby - Chair

Timothy Jones - Treasurer

Independent auditors' report to the Members of Institute for Voluntary Action Research (registered company no. 05695711)

We have audited the financial statements of Institute for Voluntary Action Research for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein [and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008)].

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees, who are 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 Responsibilities Statement of the Trustees.

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 United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you if, in our opinion, the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the Charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Report of the Trustees 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity'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.

/Continued ...

**Independent auditors' report to
Institute for Voluntary Action Research
(Continued)**

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been properly prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the Charity's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- the information given in the Report of the Trustees is consistent with the financial statements.

John Ball (Senior Statutory Auditor)
For and on behalf of Gotham Erskine LLP
Chartered Accountants and Statutory 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 year ended 31 March 2010

	Note	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	5,000	8,750	13,750	85,000
Bank interest receivable		290	-	290	5,826
Incoming resources from charitable activities	3	679,421	63,950	743,371	540,188
Other incoming resources		-	-	-	100
TOTAL INCOMING RESOURCES		684,711	72,700	757,411	631,114
RESOURCES EXPENDED					
Costs of generating voluntary income	5	7,063	875	7,938	7,085
Charitable activities:					
Research project costs	4	688,444	77,409	765,853	511,562
Governance costs	6	14,765	875	15,640	13,068
Other resources expended		5,830	-	5,830	-
TOTAL RESOURCES EXPENDED	7	716,102	79,159	795,261	531,715
Net income/(expenditure) before transfer		(31,391)	(6,459)	(37,850)	99,399
TOTAL FUNDS AT 1 APRIL 2009		257,219	26,156	283,375	183,976
TOTAL FUNDS AT 31 MARCH 2010		£ 225,828	£ 19,697	£ 245,525	£ 283,375

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2010

	Notes	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	11		9,826		6,119
CURRENT ASSETS					
Debtors	12	212,286		321,353	
Cash at bank and in hand		78,830		211,193	
			291,116	532,546	
CREDITORS: amounts falling due within one year					
	13	(55,417)		(255,290)	
NET CURRENT ASSETS					
			235,699		277,256
NET ASSETS					
			£ 245,525		£ 283,375
FUNDS					
Restricted funds	14		19,697		26,156
Unrestricted funds:					
Designated funds	14	69,826		66,119	
General fund	14	156,002		191,100	
			225,828	257,219	
			£ 245,525		£ 283,375

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They were approved, and authorised for issue, by the directors on 25 November 2010 and signed on their behalf by:-

JULIAN ASHBY, Chair

TIMOTHY JONES, Treasurer

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

1. ACCOUNTING POLICIES

a) *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 April 2008).

The effects of events relating to the year ended 31 March 2010 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 2010 and the results for the year ended on that date.

b) *Company status*

Institute for Voluntary Action Research is a company limited by guarantee. 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.

c) *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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

d) *Incoming resources*

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

e) *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. Cost of generating funds consists of an allocation of staff time and associated support costs in the raising of voluntary income.

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

f) *Tangible fixed assets and depreciation*

Office equipment	-	25% straight line
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Tangible fixed assets are capitalised where the purchase price exceeds £500.

g) *Operating leases*

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred.

h) *Pensions*

The Charity operates a defined contribution pension scheme. Contributions are charged to the SoFA as they become payable in accordance with the rules of the scheme.

INSTITUTE FOR VOLUNTARY ACTION RESEARCH

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

2. VOLUNTARY INCOME

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Core funding:				
Esmee Fairbairn Foundation	-	8,750	8,750	45,000
Tudor Trust	-	-	-	30,000
Lankelly Chase Foundation	5,000	-	5,000	10,000
	<u>£ 5,000</u>	<u>£ 8,750</u>	<u>£ 13,750</u>	<u>£ 85,000</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Research income:				
IDeA - Partnership Improvement Prog.	310,800	-	310,800	155,000
IDeA - other projects	112,525	-	112,525	-
Evaluation of Nat. empowerment partnership	69,400	-	69,400	-
NSS Collaboration (Bassac)	2,000	42,950	44,950	85,100
Capacity building needs - Big lottery fund	37,367	-	37,367	-
JRF Community Assets Study	25,459	-	25,459	22,755
City Bridge Project	8,350	-	8,350	18,596
Tudor Trust Support Project	16,500	-	16,500	16,500
Bassac/City Bridge Trust - Community Anchors	-	21,000	21,000	-
Community Alliance - merger study	23,750	-	23,750	-
Compact Champions	12,625	-	12,625	12,625
Community Alliance - Real Time Eval.	-	-	-	19,500
Compact voice - Compact disputes	7,850	-	7,850	-
TACT/CLUK merger study	6,800	-	6,800	-
EastMids - Evaluation of REP	5,000	-	5,000	-
CDF - Method. support pilot action research	5,920	-	5,920	-
Other research income	35,075	-	35,075	19,075
Community Development Foundation	-	-	-	53,330
Compact Success Factors	-	-	-	33,157
Representation Study IDEA	-	-	-	24,000
Bassac - Leaders of Tomorrow	-	-	-	22,400
Third Sector Trust	-	-	-	45,500
Compact 3rd sector standards	-	-	-	12,650
	<u>£ 679,421</u>	<u>£ 63,950</u>	<u>£ 743,371</u>	<u>£ 540,188</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

4. RESEARCH PROJECT COSTS

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	<i>Total Funds 2009 £</i>
Research associate fees	208,718	6,459	215,177	176,786
Academic advice and consultancy	50,801	-	50,801	43,511
Research development costs	134,195	-	134,195	19,078
Allocation of salary costs	146,872	70,950	217,822	194,716
Allocation of support costs	147,858	-	147,858	77,471
	<u>£ 688,444</u>	<u>£ 77,409</u>	<u>£ 765,853</u>	<u>£ 511,562</u>

5. COST OF GENERATING FUNDS

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	<i>Total Funds 2009 £</i>
Allocation of salary costs	3,170	875	4,045	3,757
Allocation of support costs	3,893	-	3,893	3,328
	<u>£ 7,063</u>	<u>£ 875</u>	<u>£ 7,938</u>	<u>£ 7,085</u>

6. GOVERNANCE COSTS

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	<i>Total Funds 2009 £</i>
Audit fees payable to auditors	7,050	-	7,050	5,750
Trustees' expenses	652	-	652	233
Allocation of salary costs	3,170	875	4,045	3,757
Allocation of support costs	3,893	-	3,893	3,328
	<u>£ 14,765</u>	<u>£ 875</u>	<u>£ 15,640</u>	<u>£ 13,068</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

7. RESOURCES EXPENDED

	Staff costs	Activities under-taken directly	Support costs	Total 2010	Total 2009
	£	£	£	£	£
Charitable expenditure:					
Research project costs	217,822	400,173	147,858	765,853	511,561
Costs of generating funds	4,045	-	3,893	7,938	7,085
Governance costs	4,045	7,702	3,893	15,640	13,068
Other resources expended	-	5,830	-	5,830	-
Support costs	96,170	59,474	(155,644)	-	-
	<u>£ 322,082</u>	<u>£ 473,179</u>	<u>£ Nil</u>	<u>£ 795,261</u>	<u>£ 531,714</u>

Resources expended include:	2010	2009
	£	£
Auditors' remuneration:		
Statutory audit	7,050	5,750
Depreciation	<u>4,387</u>	<u>2,363</u>

Details of Staff costs are given in Note 9.

Details of Costs of Generating Funds, Governance costs and Support costs are given respectively in Notes 5, 6 and 8.

Support costs are allocated to other activities on the basis of estimated allocation of staff costs.

8. SUPPORT COSTS

	2010	2009
	£	£
Staff costs	96,170	40,864
Rent and service charges	2,851	4,369
Insurance	1,582	1,397
Telephone and fax	6,672	3,321
IT costs	7,193	4,742
Website	8,850	-
Book-keeping & accountancy fees	2,600	1,600
Printing, postage and stationery	4,905	6,990
Publicity materials and marketing	9,039	8,996
Subscriptions and publications	2,933	1,662
Payroll administration	-	346
Travel and subsistence	7,333	3,120
Minor office equipment	-	2,804
Bank charges	145	105
Sundry expenses	984	3,253
Depreciation	4,387	560
	<u>£ 155,644</u>	<u>£ 84,129</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

9. STAFF NUMBERS AND COSTS

	2010 £	2009 £
Salaries	247,787	174,105
Social security costs	27,997	19,852
Pension costs	9,389	9,094
Temporary staff and recruitment	2,420	2,397
Staff training and conferences	6,822	16,474
Travel and subsistence	27,667	21,075
Recruitment & other staff expenses	-	97
	<u>£ 322,082</u>	<u>£ 243,094</u>

IVAR makes contributions for its employees to a defined contribution scheme operated by The Pensions Trust. The contributions made in the year are detailed above.

The number of employees whose emoluments (excluding employer pension costs) amounted to over £60,000 in the year was as follows:

	2010 No.	2009 No.
£60,000 - £70,000	<u>1</u>	<u>1</u>

Contributions of £9,389 (2009: £9,094) have been paid into a defined contribution pension scheme on behalf of two employees.

The emoluments paid to the Director were £69,888 (2009: £61,039).

The number of employees, calculated as full time equivalents and analysed on a functional basis, was as follows:

	2010 No.	2009 No.
Costs of generating funds	0.1	0.1
Research project costs	5.7	3.6
Governance costs	0.3	0.4
	<u>6.1</u>	<u>4.1</u>

10. TRUSTEES

During the year, no Trustees received any remuneration (2009 - £NIL). Two Trustees received the reimbursement of travel expenses amounting to £652 (2009 - £233).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

11. TANGIBLE FIXED ASSETS - Office equipment

	£
Cost	
At 1 April 2009	9,454
Additions	8,094
At 31 March 2010	<u>17,548</u>
Depreciation	
At 1 April 2009	3,335
Charge for the year	4,387
At 31 March 2010	<u>7,722</u>
Net book value	
At 31 March 2009	£ 6,119
At 31 March 2010	<u>£ 9,826</u>

12. DEBTORS

	2010	2009
	£	£
Due within one year		
Grants and fees receivables	208,506	321,353
Other debtors	3,780	-
	<u>£ 212,286</u>	<u>£ 321,353</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Deferred grant income	19,350	172,925
Pension contributions payable	1,412	887
Social security and other taxes	9,211	7,042
Other creditors	9,500	-
Accruals and other creditors	15,944	74,436
	<u>£ 55,417</u>	<u>£ 255,290</u>
<u>Deferred income</u>	£	£
Balance at 1 April 2009	172,925	13,750
Amount released to incoming resources	(172,925)	(13,750)
Amount deferred in the year	19,350	172,925
Balance at 31 March 2010	<u>£ 19,350</u>	<u>£ 172,925</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
DESIGNATED FUNDS					
Research Development Fund	60,000	-	-		60,000
Fixed Assets Fund	6,119	-	-	3,707	9,826
	<u>£ 66,119</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 3,707</u>	<u>£ 69,826</u>
RESTRICTED FUNDS					
Director's salary	-	8,750	(8,750)	-	-
NSS Collaboration (Bassac)	-	63,950	(63,950)	-	-
Bridge-building project	26,156	-	(6,459)	-	19,697
	<u>£ 26,156</u>	<u>£ 72,700</u>	<u>£ (79,159)</u>	<u>£ Nil</u>	<u>£ 19,697</u>
SUMMARY OF FUNDS					
Designated Funds	66,119	-	-	3,707	69,826
General Funds	191,100	684,711	(716,102)	(3,707)	156,002
	<u>257,219</u>	<u>684,711</u>	<u>(716,102)</u>	<u>-</u>	<u>225,828</u>
Restricted Funds	26,156	72,700	(79,159)	-	19,697
	<u>£ 283,375</u>	<u>£ 757,411</u>	<u>£ (795,261)</u>	<u>£ Nil</u>	<u>£ 245,525</u>

Designated Funds

Research Development Fund: The Trustees have set aside £60,000 to enable IVAR to provide a small working fund to support activities which may require specific investment (eg. work with smaller, less well-resourced organisations; supplementary work to disseminate research findings; exploratory work in new areas).

Fixed Assets Fund: In accordance with SORP 2005, the fixed assets of an organisation are considered to be not easily realisable and therefore should not be represented by the general reserve. The balance carried forward is equal to the year-end net book value of fixed assets.

Restricted Funds

Director's salary: The Charity received a grant over three years ended May 2009 from the *Esmee Fairbairn Foundation* towards the salary and associated costs of the Director post. The Director's time is allocated as follows: Cost of generating funds - 5%; Governance costs - 5%; and Direct charitable activity - 90%. The expenditure related to this grant is recognised in the same proportions across the respective headings.

Collaboration benefits programme: The Charity received a grant from *bassac* for the National Support Service Collaboration Workstream project. The amount shown as income in 2008-09 relates to the first year of a three-year grant.

Bridge-building project: The Charity received funds from *The Third Sector Trust* for a major study of grassroots-level bridge-building across faith and ethnic group boundaries, conducted primarily by Professor Margaret Harris, who is also IVAR's Academic Adviser. The study is ongoing and the balance carried forward is to be expended in future years.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			Total Funds £
	Designated Funds £	General Funds £	Restricted Funds £	
Tangible fixed assets	9,826	-	-	9,826
Net current assets	60,000	156,002	19,697	235,699
	<u>£ 69,826</u>	<u>£ 156,002</u>	<u>£ 19,697</u>	<u>£ 245,525</u>

16. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in a fund administered by The Pensions Trust. The pension cost charge represents contributions payable by the Charity to the fund and are reported in note 9. The contributions outstanding at the year end are reflected in note 13.