

SOUTHERN ASSOCIATION OF
VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

DIRECTORS' AND TRUSTEES' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2005

Company No: 2707087 (England and Wales)
Charity No: 1069563

SOUTHERN ASSOCIATION OF
VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL
FOR THE YEAR ENDED 31 DECEMBER 2005

COMPANY INFORMATION

Directors and Trustees	J P Baillie L Bennett D S Gibbs (Chairman) A Guillaume J Holmes (Chairman) E Markham K Morris D Reiblein (Treasurer) A Sanders K Single I C Watmore	(Resigned 15.11.05) (Resigned 22.3.06) (Resigned 22.3.06) (Resigned 22.3.06) (Appointed 14.2.06) (Appointed 19.9.05, Resigned 22.3.06) (Appointed 14.2.06) (Resigned 22.12.05) (Resigned 22.3.06) (Appointed 14.2.06)
Secretary	I C Watmore K Single	(Resigned 14.2.06) (Appointed 14.2.06)
Company Number	2707087	
Charity Number	1069563	
Registered Office	21 Norfolk Road Cliftonville Margate Kent CT9 2HU	
Auditors	Westlake Clark 55 Station Road New Milton Hampshire BH25 6JA	

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A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL
FOR THE YEAR ENDED 31 DECEMBER 2005

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SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors and Trustees present their report and accounts for the year ended 31 December 2005.

Objects of the Charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

The charity's objects and its principal activity continue to be to promote education, training and associated activities anywhere in Southern England whose work may benefit from, and contribute to the development of effective voluntary action in Europe, by the provision of information, advice, support and training on funding and development and secondly to represent the interests and act on behalf of members in dealing with appropriate bodies. The charity is organised so that the Trustees meet regularly to manage its affairs.

Development activities and achievements this year

We have continued to work with the Office of Deputy Prime Minister through their Strategic Grant Programme to ensure that many hundreds of people and organisations across the South of England have in some way improved their own effectiveness by ensuring they engage to the best of their abilities with the EU. Also, our work with Government Offices both of the South East and the South West has continued to see us successfully deliver Technical Assistance to groups from all sectors from Kent to Cornwall.

February and March 2006 saw huge changes in the boardroom as a new era was ushered in and the majority of those Trustees who have served SAVAGE in the past retired. With the support of Thanet Community Development Trust Limited, the new board hopes to build on the success of the past while also striving to make SAVAGE an independent and sustainable enterprise able to ensure that whatever assistance is required by organisations, they will be able to supply it in the most effective way possible.

The way ahead is full of opportunity, the staff are ready to face the challenge, and we look forward to exciting times ahead.

Tangible fixed assets

Details in the movement in fixed assets are set out in note 8 to the accounts.

Directors and Trustees

All Directors of the company are also Trustees of the charity, and there are no other Trustees. Details of serving Trustees are shown on page 2. The Board has the power to appoint additional Trustees as it considers fit to do so.

SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

Risk Management and Reserves Policy

The Trustees consider that the present funding arrangements are sufficient and adequate to ensure the charity's objectives are met. The company is being financially supported by Thanet Community Development Trust Limited to ensure its viability during the ensuing period. The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances and are satisfied that systems are in place to mitigate exposure to major risks.

The Trustees are satisfied that the charity has the financial support to continue as a going concern.

Directors' and Trustees' Responsibilities in relation to the Financial Statements

Company and charity law 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 charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

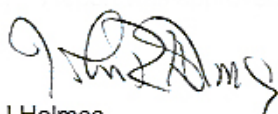
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has 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 prevention and detection of fraud and other irregularities.

The Directors' and Trustees' Report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies.

Approval

This report was approved by the board of Directors and Trustees on 20/6/06 and signed on its behalf by



J Holmes
Chairman and Trustee

Date: 20/6/06.

SOUTHERN ASSOCIATION OF
VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2005

		Restricted	Restricted
	Notes	2005	2004
		£	£
INCOMING RESOURCES			
Activities in furtherance of the charity's objects	2	319,661	285,241
Other incoming resources		1,678	750
Investment income: Interest received		1,221	689
		-----	-----
TOTAL INCOMING RESOURCES		322,560	286,680
		-----	-----
RESOURCES EXPENDED			
Costs of activities in furtherance of the charity's objects	3	332,568	302,553
Resources expended on managing and administering the charity	4	8,074	6,448
		-----	-----
TOTAL RESOURCES EXPENDED		340,642	309,001
		-----	-----
NET MOVEMENT IN FUNDS FOR THE YEAR		(18,082)	(22,321)
TOTAL FUNDS BROUGHT FORWARD - AS PREVIOUSLY STATED	49,610		
PRIOR YEAR ADJUSTMENT	(43,691)		
	-----	5,919	28,240
		-----	-----
TOTAL FUNDS CARRIED FORWARD		(12,163)	5,919
		-----	-----

All of the Charity's activities are classed as continuing.

The notes on pages 8 to 12 form part of these Financial Statements.

SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	<u>2005</u>		<u>2004</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		6,925		6,886
CURRENT ASSETS					
Stock		130		1,800	
Debtors	9	22,441		1,487	
Cash at bank and in hand		827		27,249	
		-----		-----	
		23,398		30,536	
CREDITORS: Amounts falling due within one year	10	42,486		31,503	
		-----		-----	
NET CURRENT LIABILITIES			(19,088)		(967)
			-----		-----
NET (LIABILITIES)/ASSETS			(12,163)		5,919
			-----		-----
Represented by: CAPITAL AND RESERVES					
Restricted funds	11		(12,163)		5,919
			-----		-----

The Accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved on behalf of the board



J Holmes
Chairman and Trustee

Date: 30/6/06.

The notes on pages 8 to 12 form part of these Financial Statements.

SOUTHERN ASSOCIATION OF
VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF THE ACCOUNTS

The accounts are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the Directors' and Trustees' Report and which is continuing.

The accounts have been prepared in accordance with the Statement of Recommended Practice for charity accounts (SORP 2000) issued in October 2000.

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement.

(b) INCOME

Income represents the income receivable in respect of Objective 3 Technical Assistance awarded from the European Social Fund and grants from Lloyds TSB and the Office of the Deputy Prime Minister (ODPM) and all other income receivable in the ordinary course of business.

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

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 basis:

Office Equipment and Fixtures	25% reducing balance basis
Computer Equipment	33 1/3% straight line basis

(d) OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the statement of financial activity account as incurred.

(e) STOCK

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

(f) PENSIONS

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

(g) RESTRICTED FUNDS

Essentially all income received is for a specific purpose and therefore incoming resources and resources expended are classified as restricted funds.

2. ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	<u>2005</u>	<u>2004</u>
	£	£
Funding objectives	158,803	152,327
Seminars and meeting fees	3,805	3,175
Membership fees	6,160	6,635
Community Fund grants:		
ODPM grants	145,893	113,104
Lloyds TSB grant	5,000	10,000
	-----	-----
	319,661	285,241
	-----	-----

SOUTHERN ASSOCIATION OF
VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

3. DIRECT CHARITABLE EXPENDITURE

	<u>2005</u>	<u>2004</u>
	£	£
Training expenses	18,704	5,308
Trustee meeting costs	1,263	1,770
Travel and subsistence	34,778	36,804
Staff costs	230,447	212,762
Postage	4,446	4,531
Telephone and fax	10,411	7,605
Printing, copying and stationery (adjusted for stock)	16,403	12,139
Repairs and renewals	559	4,197
Insurance	258	2,584
Rent payable	8,250	8,307
Rates and water rates	355	405
Office cleaning	1,204	1,000
Heat and light	563	540
Sundry expenses	-	443
Depreciation	4,585	3,441
Subscriptions	342	717
	-----	-----
	332,568	302,553
	-----	-----

4. ADMINISTRATION EXPENSES

	<u>2005</u>	<u>2004</u>
	£	£
Accountancy and Audit	2,384	3,719
Legal and professional	5,137	2,278
Bank charges	532	421
Bank interest	21	30
	-----	-----
	8,074	6,448
	-----	-----

The Charity's Objects and Principal Activities necessitate the use of administration costs and functions in order to deliver the principal services for which SAVAGE is established. Therefore, the Trustees are of the opinion that substantially all of their administration costs are incurred primarily to deliver the Charity's principal service, and these have been allocated as direct charitable expenditure.

5. NET MOVEMENT IN FUNDS

This is stated after charging:

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation	4,585	3,441
Auditors' remuneration - statutory	1,200	1,200
- ESF/ODPM	428	1,763
Remuneration for non audit services	756	756
Operating lease rentals	11,108	11,108
	-----	-----

SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

6. STAFF COSTS

	<u>2005</u>	<u>2004</u>
No remuneration was paid to the Trustees. The staff costs of the remaining staff were:		
	£	£
Wages and salaries	204,956	192,557
Social security	17,925	14,612
Pension	7,566	5,593
	-----	-----
	230,447	212,762
	-----	-----

The average full time equivalent weekly number of staff employed the charity during the year was as follows:

	<u>2005</u>	<u>2004</u>
Direct charitable work	11	12
Administrative	1	1

There are no higher paid employees

7. INTEREST PAYABLE

	<u>2005</u>	<u>2004</u>
	£	£
On bank loans and overdrafts	21	30
	-----	-----

8. TANGIBLE FIXED ASSETS

FOR CHARITY USE

	<u>Computer Equipment</u>	<u>Office Equipment and Fixtures</u>	<u>Total</u>
	£	£	£
COST			
At 1 January 2005	33,420	19,759	53,179
Additions	3,363	1,261	4,624
	-----	-----	-----
At 31 December 2005	36,783	21,020	57,803
	-----	-----	-----
DEPRECIATION			
At 1 January 2005	30,680	15,613	46,293
Charge for the year	3,210	1,375	4,585
	-----	-----	-----
At 31 December 2005	33,890	16,988	50,878
	-----	-----	-----
NET BOOK VALUE			
At 31 December 2005	2,893	4,032	6,925
	-----	-----	-----
At 31 December 2004	2,740	4,146	6,886
	-----	-----	-----

SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

9. DEBTORS

	<u>2005</u>	<u>2004</u>
	£	£
<u>Due within one year</u>		
Funding Income	20,103	-
Membership fees	365	550
Prepayments	1,973	937
	-----	-----
	22,441	1,487
	-----	-----

10. CREDITORS: Amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	£	£
Bank overdraft	2,114	-
Accruals and other creditors	1,638	7,236
Funding income received in advance	38,734	24,267
	-----	-----
	42,486	31,503
	-----	-----

11. RESERVES - RESTRICTED FUNDS

	Lloyds <u>TSB</u>	<u>General</u>	<u>TOTAL</u>
	£	£	£
Beginning of year	-	5,919	5,919
Incoming resources	5,000	317,560	322,560
Resources expended	(5,000)	(335,642)	(340,642)
	-----	-----	-----
End of year	-	(12,163)	(12,163)
	-----	-----	-----

12. OTHER COMMITMENTS

At 31 December 2005 the charity had annual commitments under non-cancellable operating leases as follows:-

	Land and Buildings		Other	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
Expiry date				
Within one year	-	497	1,054	
Between two and five years	8,250	8,250	1,622	1,804
	-----	-----	-----	-----

13. LIABILITY OF MEMBERS

By the constitution of the charity, the guarantee of each member is limited to £1.

SOUTHERN ASSOCIATION OF

VOLUNTARY ACTION GROUPS FOR EUROPE

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

14. REIMBURSED EXPENSES

During the year eight Trustees received reimbursed expenses for travel and subsistence totalling £4,605.

15. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Association arranged insurance cover of £1,000,000 for the Directors, officers, trustees, employees, volunteers, committee members, any member of staff and the Association itself against liabilities in relation to the Association. The premium for this cover was £1,554 (2004: £1,554 for cover of £1,000,000) including Insurance Premium Tax.

16. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to overstatement of debtors and understatement of creditors, in the accounts for the year ended 31 December 2004.

SOUTHERN ASSOCIATION OF VOLUNTARY ACTION GROUPS FOR EUROPE
A COMPANY LIMITED BY GUARANTEE WITHOUT SHARE CAPITAL

Independent Auditors' Report to the members of Southern Association of Voluntary Action Groups for Europe

We have audited the financial statements of Southern Association of Voluntary Action Groups for Europe for the year ended 31 December 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the trustees, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the trustees 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 trustees, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Southern Association of Voluntary Action Groups for Europe for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity 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 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 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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 December 2005, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

New Milton
Hampshire
BH25 6JA

Westlake Clark
Westlake Clark
Chartered Accountants
Registered Auditor

Date: *28 June 2006*