

consolidated accounts

For the year ended 31 March 2007

consolidated statement of financial activities

(incorporating the Income and Expenditure Account)

For the year ended 31 March 2007

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2007 £'000	Total 2006 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	3,109	282	3,391	4,014
Activities for generating funds		295	–	295	142
Investment income	4	2,022	17	2,039	1,867
Incoming resources from charitable activities:					
Hospital services		56,198	–	56,198	52,594
Food services		13,376	2,166	15,542	17,872
Community services		3,427	–	3,427	3,480
Emergency services		337	–	337	312
Services welfare		–	2,378	2,378	2,294
Property		303	–	303	283
Other incoming resources:					
Net gain on the disposal of tangible fixed assets		1,047	–	1,047	869
Defined benefit pension scheme income		–	349	349	284
Funds introduced during the year	16	176	–	176	136
Total incoming resources		80,290	5,192	85,482	84,147
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income		1,292	–	1,292	1,627
Fundraising trading: cost of goods sold and other costs		134	–	134	80
Investment management costs		28	–	28	5
Cost of charitable activities:					
Hospital services		53,852	–	53,852	50,262
Food services		14,442	2,215	16,657	18,381
Community services		5,890	44	5,934	5,845
Emergency services		991	–	991	1,089
Services welfare		251	2,395	2,646	2,579
Governance costs		321	–	321	283
Defined benefit pension expenditure		–	693	693	856
Total resources expended	5	77,201	5,347	82,548	81,007
Net incoming/(outgoing) resources		3,089	(155)	2,934	3,140
Other recognised gains and losses					
Net gains on investments	10	4,671	148	4,819	2,124
Other revaluation gains/(losses)	9	1,595	–	1,595	(54)
Actuarial gains on defined benefit pension schemes	18	–	344	344	572
Net movement in funds		9,355	337	9,692	5,782
Fund balances at 1 April 2006		44,876	3,042	47,918	42,136
Transfers between funds	13	392	(392)	–	–
Fund balances 31 March 2007		54,623	2,987	57,610	47,918

All the above results derive from continuing activities and there were no gains or losses other than those shown above. For the purposes of the Companies Act 1985 the surplus for the group for the year was £2,934,000 (2006 – £3,140,000) and for the charity was £3,929,000 (2006 – £10,039,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

balance sheets

At 31 March 2007

	Notes	2007 Group £'000	Charity £'000	2006 Group £'000	Charity £'000
Fixed assets					
Tangible fixed assets	9	8,620	4,848	7,097	4,343
Investments	10a	18,937	18,937	28,391	28,391
		27,557	23,785	35,488	32,734
Current assets					
Stock		1,567	1,493	1,538	1,461
Debtors	11	4,556	3,656	6,066	5,765
Investments	10b	27,930	27,234	10,257	8,808
Cash at bank and in hand		6,811	5,916	5,817	4,880
		40,864	38,299	23,678	20,914
Liabilities					
Creditors: Amounts falling due within one year	12	(11,491)	(8,858)	(11,268)	(9,171)
Net current assets		29,373	29,441	12,410	11,743
Total assets less current liabilities		56,930	53,226	47,898	44,477
Defined benefit pension scheme asset	18	680	–	20	–
Net assets including pension scheme liability	14	57,610	53,226	47,918	44,477
Funds					
Restricted funds	13	2,987	3,143	3,042	2,980
Unrestricted funds					
designated funds*	13	23,973	20,201	28,527	25,773
general funds	13	30,650	29,882	16,349	15,724
		57,610	53,226	47,918	44,477

*Including a revaluation reserve of £1,812,668 (2006 – £10,381,000)

The accompanying notes are an integral part of these balance sheets.

Approved, authorised for issue by and signed on behalf of the Board of Trustees on 25 September 2007.



Ruth Markland
Chairman



Christine Pointer
Trustee

Statement of information disclosure to auditors

The members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

consolidated cash flow statement

For the year ended 31 March 2007

	Notes	2007 £'000	2006 £'000
Net cash inflow from operating activities	(a)	5,503	2,352
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(1,294)	(676)
Receipts from the disposal of tangible fixed assets		1,474	1,760
Payments to acquire fixed asset investments		(384)	(2,631)
Receipts from the disposal of fixed asset investments		14,613	4,650
		14,409	3,103
Management of liquid resources			
Increase in money market deposits		(17,673)	(4,075)
Increase in cash in the year	(b)	2,239	1,380

Notes to the cash flow statement

a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net incoming resources		2,934	3,140
Depreciation		939	992
Net gain on disposal of tangible fixed assets		(1,047)	(869)
(Increase)/decrease in stock		(29)	208
Decrease/(increase) in debtors		1,510	(1,393)
Increase in creditors		1,512	459
FRS17 pension adjustment		(316)	(185)
Net cash inflow from operating activities		5,503	2,352

b) Analysis of increase in net funds

	At 1 April 2006 £'000	Cash flows £'000	At 31 March 2007 £'000
Cash at bank and in hand	5,817	994	6,811
Bank overdrafts	(1,633)	1,289	(344)
Cash held by investment managers	381	(44)	337
	4,565	2,239	6,804

notes to the consolidated accounts

For the year ended 31 March 2007

1 Principal accounting policies

a) Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, except where stated. The accounts have been prepared under the historical cost convention as modified by the inclusion of certain assets at market value and they comply with applicable United Kingdom accounting standards, with the statement of recommended practice for accounting and reporting for charities (SORP 2005) and the Companies Act 1985. All income is accounted for on an accruals basis unless otherwise stated.

b) Basis of consolidation

The statement of financial activities and balance sheet consolidate the accounts of the charity and all its subsidiary undertakings made up to the balance sheet date. The results of subsidiary undertakings are included in the group accounts from their effective date of acquisition (or up to their effective date of disposal). No statement of financial activities has been presented for the charity as permitted by Section 230 of the Companies Act 1985.

The results and balance sheets of all subsidiary companies have been consolidated on a line by line basis. The group accounts do not include the results and net assets of connected entities (note 16).

c) Grants receivable

i) Grant from the Ministry of Defence

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding received for payroll, operating and capital costs unappropriated at the end of each accounting period is deemed to be repayable.

ii) Other capital grants

Other capital grants received towards the cost of tangible fixed assets are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds where applicable. Annual transfers of amounts equivalent to any depreciation charges reduce the restricted funds.

d) Income from the provision and delivery of meals

Income receivable from local authorities for the provision and delivery of meals is credited to the statement of financial activities in accordance with the terms of the contract with the relevant local authority.

e) Donations received

Donations are accounted for in the year in which they are received.

f) Legacies receivable

Legacies are credited to the statement of financial activities once the charity or the group have received them.

g) Expenditure

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and its charitable subsidiaries and includes direct staff attributable to the activity and an allocation of the general management and overhead costs.

Fundraising costs comprise expenditure incurred by the charity in encouraging others to make contributions to it, and establishment costs of the fundraising team.

Governance costs include expenditure on compliance with constitutional and statutory requirements.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

1 Principal accounting policies (continued)

h) Leased assets

Leased equipment, financed by leasing or hire purchase agreements that give rights approximating to ownership, is treated as if it has been purchased outright and the corresponding obligations are treated as liabilities. The charge to the statement of financial activities is represented by depreciation, calculated in accordance with the group's policy, and interest. The total interest, being the difference between the total installments payable and the invoiced cost, is charged to the statement of financial activities so as to produce a constant periodic charge on the remaining balance of the obligations for each accounting period.

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.

i) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. All other fixed asset properties are valued at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% on cost or valuation
Long leaseholds (50 years or more)	2% on cost or valuation
Short leaseholds	shorter of five years or length of lease
Motor vehicles	25% on cost
Furniture and office equipment	20% on cost
Computer equipment	33.3% on cost

No depreciation is provided on freehold land, which is taken to be equal to ten per cent of the purchase price of the freehold land and buildings.

j) Investments

With the exception of investments in subsidiary companies, investments are included in the accounts at their market value at the end of the financial period. Investments in subsidiary companies are included in the accounts at cost.

k) Fund accounting

The general fund comprises those monies that may be used towards meeting the charitable objectives of the group at the discretion of the trustees.

The restricted funds are monies raised for a specific purpose, or donations subject to donor-imposed restrictions. The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees. Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.

l) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value.

m) Retirement benefits

For defined contribution schemes contributions are charged to the statement of financial activities as incurred.

1 Principal accounting policies (continued)

m) Retirement benefits (continued)

For defined benefit schemes the amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and are updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

2 Voluntary income

	Unrestricted £'000	Restricted £'000	Total 2007 £'000	Total 2006 £'000
Donations	299	56	355	450
Trusts and lotteries	23	158	181	75
Grants (note 3)	2,583	–	2,583	3,329
Legacies	111	68	179	64
Other	93	–	93	96
	3,109	282	3,391	4,014

3 Grants receivable

	Total 2007 £'000	Total 2006 £'000
Home Office grant in aid*	2,333	2,943
Other grants	250	386
	2,583	3,329

* An annual grant from the Home Office to assist core expenditure.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

4 Investment income

	Total 2007 £'000	Total 2006 £'000
Unit trusts	436	379
Bank interest	1,042	682
Investment property income	561	806
	2,039	1,867

5 Total resources expended

	Grants £'000	Direct costs £'000	Support costs £'000	Total 2007 £'000	Total 2006 £'000
Hospital services	5,601	46,673	1,578	53,852	50,262
Food services	–	15,352	1,305	16,657	18,381
Community services	–	4,717	1,217	5,934	5,845
Emergency services	–	563	428	991	1,089
Services welfare	–	2,396	250	2,646	2,579
Governance	–	–	321	321	283
Fundraising	–	468	958	1,426	1,707
Investment management costs	–	–	28	28	5
Defined benefit pension expenditure	–	–	693	693	856
	5,601	70,169	6,778	82,548	81,007

A list of grants made is available upon request from the registered office.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

This expenditure is stated after charging:

	2007 £'000	2006 £'000
Auditor's remuneration:		
audit services Baker Tilly (charity only – £15,000) (2006 – £57,175)	76	75
audit services Baker Tilly UK Audit LLP (charity only – £47,442) (2006 – nil)		
Depreciation	939	992
Operating lease rentals		
land and buildings	3,099	2,746
other	840	825

6 Employee costs and trustees' remuneration

Employee costs during the year were as follows:

	2007 £'000	2006 £'000
Wages and salaries	18,946	18,164
Social security costs	1,389	1,217
Other pension costs	516	475
Other employee costs	1,245	1,656
	22,096	21,512

The number of employees who earned £60,000 pa or more (including taxable benefits) during the year was as follows:

	Excluding severance		Including severance	
	2007 No.	2006 No.	2007 No.	2006 No.
£60,001 – £70,000	2	1	2	3
£70,001 – £80,000	–	1	–	1
£80,001 – £90,000	3	2	3	2
£90,001 – £100,000	–	–	–	–
£110,001 – £120,000	–	–	–	–
£120,000 – £130,000	1	1	1	1

The total contribution in the year for the provision of money purchase benefits was £55,407 in respect of higher paid employees. At the year end there were six higher-paid employees with benefits accruing under a money purchase scheme and no higher-paid employees with benefits accruing under defined benefits schemes.

The average number of employees, analysed by function was:

	2007	2006
Operations	2,351	2,335
Support	210	220
	2,561	2,555
Full-time	623	612
Part-time	1,938	1,943
	2,561	2,555

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

6 Employee costs and trustees' remuneration (continued)

No trustees received any remuneration for services beyond their duties as trustees during the year to 31 March 2007. The previous chairman and previous vice-chairman of the Board of Trustees received remuneration in the year ended 31 March 2006 equal to the tax payable on the benefit of their car and fuel. Neither of the above trustees took part in discussions held by the Board of Trustees when setting levels of remuneration or benefits to be received.

	Taxable benefits £'000	Tax equalisation £'000	Total 2007 £'000	Total 2006 £'000
Tina Tietjen (previous chairman)	–	–	–	11
Alice Cleland (previous vice-chairman)	–	–	–	1
	–	–	–	12

Expenses reimbursed to, or incurred on behalf of, all trustees during the year were as follows:

	2007 £'000	2006 £'000
Travel expenses	3	2
Accommodation and subsistence	–	2
	3	4

7 Indemnity insurance

During the year, the charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any trustee and to indemnify any trustee against the consequence of any wrongful act on their part other than any actual dishonest, fraudulent or malicious act. The total cover provided by such insurance is £1.0m (2006: £1.0m) and the total premium paid in respect of such insurance was £10,500 (2006: £11,250).

8 Taxation

WRVS is a registered charity and as such is exempt from taxation of its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

Subsidiary companies that do not have Crown Exemption from direct taxation have entered into deeds of covenant with WRVS under which any taxable profits or surpluses are covenanted to the charity each year.

The charity and group are not able to reclaim all VAT suffered on expenditure due to the partial exemption rules.

9 Tangible fixed assets

Group	Freehold buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, equipment and furniture £'000	Total £'000
Cost or valuation					
At 1 April 2006	5,316	220	955	4,454	10,945
Additions	542	110	–	642	1,294
Disposals	(433)	–	(31)	(93)	(557)
Revaluation	1,040	410	–	–	1,450
At 31 March 2007	6,465	740	924	5,003	13,132
Cost	4,922	330	924	5,003	11,179
Valuation	1,543	410	–	–	1,953
	6,465	740	924	5,003	13,132
Depreciation					
At 1 April 2006	429	30	779	2,610	3,848
Charge for year	99	6	103	730	938
Disposals	(37)	–	(17)	(75)	(129)
Revaluation	(133)	(12)	–	–	(145)
At 31 March 2007	358	24	865	3,265	4,512
Net book values					
At 31 March 2007	6,107	716	59	1,738	8,620
At 31 March 2006	4,887	193	173	1,844	7,097

The 1997 valuation of the properties owned by the charity was carried out by an internal valuer on an open market basis. It is not the policy of the charity to re-value its own tangible fixed asset properties. A full valuation of freehold properties and long-leasehold properties held by WRVS Office Premises Limited was made by Robert Malcolm, a chartered builder, on an open market basis for existing use as at 31 March 2007. External independent firms of chartered surveyors were used to verify a number of these internal valuations.

The carrying value of these properties as at 31 March 2007, at historic cost less depreciation was as follows:

	£'000
Freehold	517
Long-leasehold	9

WRVS Office Premises Limited, a subsidiary company, had entered into a declaration of trust under which the majority of the tangible fixed assets of that company were held on trust for Her Majesty's Secretary of State for the Home Office absolutely and were therefore held as restricted assets. On 31 July 2004 WRVS, WRVS Office Premises Limited and Her Majesty's Secretary of State for the Home Office, entered into an agreement such that these assets became the assets of WRVS Office Premises Limited, although for those assets sold for greater than the agreed valuation, 50 per cent of such excess may be required to be paid to Her Majesty's Secretary of State for the Home Office. Consequently these restricted assets became unrestricted on 31 July 2004. At 31 March 2006 the net book value of these assets, amounted to £1,475,000. On 23 October 2006 the Home Office released WRVS Office Premises Limited from any current or future liability under the agreement.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

9 Tangible fixed assets (continued)

Charity	Freehold buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, equipment and furniture £'000	Total £'000
Cost or valuation					
At 1 April 2006	2,978	100	904	3,211	7,193
Additions	542	110	–	608	1,260
Group transfers	–	–	(47)	7	(40)
Disposals	–	–	(31)	(53)	(84)
At 31 March 2007	3,520	210	826	3,773	8,329
Cost	3,017	210	826	3,773	7,826
Valuation	503	–	–	–	503
	3,520	210	826	3,773	8,329
Depreciation					
At 1 April 2006	301	20	729	1,800	2,850
Charge for year	57	4	95	554	710
Group transfers	–	–	(34)	18	(16)
Disposals	–	–	(17)	(46)	(63)
At 31 March 2007	358	24	773	2,326	3,481
Net book values					
At 31 March 2007	3,162	186	53	1,447	4,848
At 31 March 2006	2,677	80	175	1,411	4,343

10 Investments

a) Fixed asset investments	Freehold property £'000	Cash and securities £'000	2007 Total £'000	2006 Total £'000
Group				
Market value at 1 April 2006	10,000	18,010	28,010	27,905
Additions	–	384	384	2,631
Disposals	(14,149)	(464)	(14,613)	(4,650)
Net investment gains	4,237	582	4,819	2,124
	88	18,512	18,600	28,010
Cash held by investment managers for reinvestment	–	337	337	381
Market value at 31 March 2007	88	18,849	18,937	28,391
Historic cost	40	14,617	14,657	21,096
Unrealised gain	48	4,232	4,280	7,295
	88	18,849	18,937	28,391

Group and charity

The freehold property is land shown at its open market value.

Cash and securities held at 31 March 2007 comprised the following:

	2007 £'000	2006 £'000
Units trusts – unlisted	13,394	12,958
Equities – listed	–	–
Cash	5,455	5,433
	18,849	18,391

All listed investments were quoted on a recognised stock exchange.

Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2006: £13). WRVS has eight wholly owned subsidiary companies. All companies are incorporated in England.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

10 Investments (continued)

a) Fixed asset investments (continued)

A summary of the activities and financial position of the subsidiaries is given in the table below:

	Income £'000	Net surplus/ (deficit) before deed of covenant £'000	Net assets/ (liabilities) £'000
WRVS Asset Supply Limited (dormant company) The supply of motor vehicles under operating leases	–	–	–
WRVS Enterprises Limited* General trading activities	119	33	(48)
WRVS Food Services Limited The provision and delivery of meals to those in need in their home	9,488	348	911
WRVS Services Welfare Limited The provision of welfare and support to army service men and women serving on military bases throughout the world	3,149	–	–
WRVS Supplies Limited (dormant company) The supply of fuel, light and computer services	–	–	73
WRVS Office Premises Limited The purchase, sale, lease and management of property	1,094	564	3,795
Home Choice Meals Limited (dormant company) The provision and delivery of frozen meals to those in need in their homes	–	–	(235)
WRVS Retail & Catering Services Limited (dormant company) Provision of retail and catering services in hospitals	–	–	(111)

* The trustees of WRVS feel it is appropriate to support this loss-making subsidiary as its current activities are profitable and this is expected to continue into the foreseeable future.

b) Current asset investments

These are money market deposits held for short-term investment.

This is cash held on short-term money market deposits to maximise return with minimal risk.

11 Debtors

	2007 Group £'000	2007 Charity £'000	2006 Group £'000	2006 Charity £'000
Trade debtors	2,779	1,335	3,363	1,561
Amounts due from group undertakings	–	868	–	1,693
Other debtors	44	23	74	68
Prepayments and accrued income	1,733	1,430	2,629	2,443
	4,556	3,656	6,066	5,765

12 Creditors: amounts falling due within one year

	2007 Group £'000	2007 Charity £'000	2006 Group £'000	2006 Charity £'000
Bank overdrafts – secured	344	344	1,633	1,633
Expense creditors	3,068	2,777	3,680	3,375
Amounts due to group undertakings	–	73	–	128
Social security and other taxes	3,862	2,867	1,091	614
Other creditors	860	637	1,485	856
Amount due to the Ministry of Defence	101	–	451	–
Accruals	2,224	1,808	2,546	2,203
Amounts due to hospitals	352	352	362	362
Defined pension benefit creditor	680	–	20	–
	11,491	8,858	11,268	9,171

The bank overdrafts are secured by debentures in favour of The Royal Bank of Scotland plc.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

13 Funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

Group	Notes	Movement in funds				At 31 March 2007 £'000
		At 1 April 2006 £'000	Incoming resources £'000	(expenditure), gains and (losses) £'000	Transfers £'000	
Restricted funds						
Legacy fund	(a)	1,952	68	148	(400)	1,768
Fixed asset fund	(b)	–	–	–	102	102
Community centres fund	(c)	836	–	(44)	–	792
Food services fund		(47)	2,166	(2,215)	96	–
Services welfare fund		–	2,744	(2,744)	–	–
Other	(d)	301	214	–	(190)	325
Total restricted funds		3,042	5,192	(4,855)	(392)	2,987
Unrestricted funds						
Designated funds						
Hospital fund	(e)	12,266	44,765	(43,876)	(25)	13,130
Investment property fund	(f)	10,000	–	–	(9,912)	88
Fixed asset fund	(g)	6,082	–	–	1,474	7,556
Community centres fund	(c)	179	–	(9)	–	170
Brand and marketing strategy	(h)	–	–	–	824	824
Community pilot sites	(i)	–	–	–	2,205	2,205
Total designated funds		28,527	44,765	(43,885)	(5,434)	23,973
General funds		16,349	35,525	(27,050)	5,826	30,650
Total unrestricted funds		44,876	80,290	(70,935)	392	54,623

13 Funds (continued)

Charity

Restricted funds	Notes	Movement in funds				At 31 March 2007 £'000
		At 1 April 2006 £'000	Incoming resources £'000	(expenditure), gains and (losses) £'000	Transfers £'000	
Legacy fund	(a)	1,952	68	148	(400)	1,768
Food services fund		(47)	2,166	(2,215)	96	–
Fixed asset fund	(b)	–	–	–	102	102
Community centres fund	(c)	836	–	(44)	–	792
Other	(d)	239	214	–	28	481
Total restricted funds		2,980	2,448	(2,111)	(174)	3,143
Unrestricted funds						
Designated funds						
Hospital fund	(e)	12,266	44,765	(43,876)	(25)	13,130
Investment property fund	(f)	10,000	–	–	(9,912)	88
Fixed asset fund	(g)	3,328	–	–	456	3,784
Community centres fund	(c)	179	–	(9)	–	170
Brand and marketing strategy	(h)	–	–	–	824	824
Community pilot sites	(i)	–	–	–	2,205	2,205
Total designated funds		25,773	44,765	(43,885)	(6,452)	20,201
General funds		15,724	24,760	(17,228)	6,626	29,882
Total unrestricted funds		41,497	69,525	(61,113)	174	50,083

The specific purposes for which the restricted funds must be applied are as follows:

- The legacy fund comprises monies that must be used according to specific terms laid down by the legator. The fund is represented by investments within fixed assets.
- The following properties were purchased with restricted funds – Driffield NBV £12,407; St Leonards on Sea NBV £89,417.
- The community centres fund represents funding from donors for the enhancement of community centres. The depreciation of the capital cost, which is included in fixed assets is charged against this fund.
- Other represents lifetime gifts, which are to be spent in accordance with the wishes of the donor.

The income funds of the charity and the group include the following designated funds, which have been set aside out of unrestricted funds by the trustees for specific purposes:

- WRVS has an obligation over a period to direct the 'surplus' earned in certain hospital projects either to that hospital or for refurbishment on that project, subject to a retention of monies to fund the ongoing working capital requirements of each project. The arrangements that WRVS has with hospitals do not involve advance undertakings to pay specific amounts on specific dates to specific hospitals. However, these general obligations become specific ones when WRVS communicates with the hospital making a grant offer or a proposal to refurbish the project. The trustees believe that these general obligations should be treated as unrestricted designated funds until such times as they become specific in nature.
- The investment property fund represents the market value of the investment properties held at 31 March 2007.
- The fixed asset fund represents the written down value of tangible fixed assets, excluding those held as restricted funds or other designated funds.
- Brand and marketing strategy. Funds have been allocated for investment in the development of our brand and marketing strategy.
- Community pilot sites. Investment will be made in five community pilot sites over the next three years.

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

14 Analysis of net assets between funds

Group	General £'000	Designated funds £'000	Restricted funds £'000	2007 Total £'000
Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	–	7,726	894	8,620
Fixed asset investments	3,951	13,218	1,768	18,937
Net current assets (including defined benefit asset)	26,699	3,029	325	30,053
Net assets	30,650	23,973	2,987	57,610

Charity

Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	–	3,954	894	4,848
Fixed asset investments	3,951	13,218	1,768	18,937
Net current assets	25,931	3,029	481	29,441
Net assets	29,882	20,201	3,143	53,226

15 Financial commitments

Operating leases

At 31 March 2007 the annual commitments under non-cancellable operating leases were as follows:

Group	Land and buildings		Other	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Expiring:				
– within one year	474	419	180	288
– within two to five years	959	869	473	552
– thereafter	1,800	1,811	–	–
	3,233	3,099	653	840

Charity

Expiring:				
– within one year	460	407	50	36
– within two to five years	710	636	356	332
– thereafter	1,787	1,786	–	–
	2,957	2,829	406	368

16 Connected charities and companies

There are a number of charities and companies with which the group is connected by virtue of common or related objectives and activities, or by unity of administration and management. These are listed below together with a brief description of their activities and are not incorporated within these accounts

Company/charity	Activity
WRVS Trust	A charitable trust supporting the activities of WRVS
WRVS Trustees Limited	A corporate trustee for certain WRVS Trusts
WRVS Benevolent Trust	Supports WRVS members in need
Spitalfields Soup Kitchen	A welfare service
Invalid Meals for London	A welfare service
WRVS Association	For current and former volunteers to keep in touch

Funds introduced during the year:

During the year final projects were transferred from 'old-WRVS' to WRVS and their activities have been included in these accounts. The balances of funds introduced at the beginning of the year for these projects amounted to £176,000 (2006: £136,000).

Related party transactions: The group paid a licence fee of £3,159 for premises occupied by WRVS Association.

17 Contingent liabilities

The charity has, together with certain of its subsidiaries, a continuing joint and several liability to HM Customs and Excise under group registration for VAT.

WRVS Office Premises Limited, a subsidiary company, has assigned a number of leases of which it was the original lessee. In the event that the assignee or any subsequent assignee should default on the payment of rent, the lessor can exercise a right of redress against the company as the original lessee. It is not possible to quantify the amount of the contingent liability with any degree of accuracy.

18 Pension commitments

WRVS Services Welfare Limited operated a pension scheme providing benefits based on final pensionable pay. The company closed the scheme on 1 October 2000. The assets of the scheme are held independently of the company's finances. Contributions to the scheme in respect of past service are determined by a qualified actuary on the basis of triennial valuations. The latest actuarial valuation, which related to the position at 31 March 2005, showed the market value of the scheme's assets to be £3,997,000 which represented 92 per cent of the amount of the liabilities of the scheme after allowing for assured future increases in benefits, on a Minimum Funding Requirement basis. The Ministry of Defence has entered into an agreement to provide the company with sufficient resources to ensure the scheme will be 100 per cent funded on the Minimum Funding Requirement basis (or its successor) by 31 July 2012.

The assumptions which have the most significant effect on the results of the actuarial valuation at 31 March 2005 are those relating to the rates of interest – pre-retirement five per cent pa, post-retirement five per cent pa, rate of inflation three per cent pa and a five per cent pa allowance for pension in payment.

Contributions paid by the group in the year in respect of this scheme amounted to £214,534 (2006 – £152,184).

notes to the consolidated accounts

For the year ended 31 March 2007 (continued)

18 Pension commitments (continued)

The actuarial valuation described was updated at 31 March 2007 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. The major assumptions used for the 31 March 2007, 2006, 2005 and 2004 FRS 17 actuarial valuations were:

	2007	2006	2005	2004
Limited price indexation	3.10%	3.10%	3.00%	2.95%
Revaluation of deferred pensions	3.10%	3.10%	3.00%	2.95%
Discount rate	5.40%	5.00%	5.40%	5.46%
Inflation assumption	3.10%	3.10%	3.00%	2.95%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2007	2007	2006	2006	2005	2005	2004	2004
	%	£'000	%	£'000	%	£'000	%	£'000
Equities	7.10	4,591	7.20	4,442	7.60	3,348	8.71	2,982
Bonds	5.40	455	4.70	346	5.10	399	4.73	400
Other	5.00	456	4.00	280	4.00	250	–	234
Total fair value of assets		5,502		5,068		3,997		3,616
Present value of scheme liabilities		(4,822)		(5,048)		(4,734)		(4,903)
Surplus/(deficit) in the scheme and net pension liability		680		20		(737)		(1,287)

Illustrative charges to the consolidated statement of financial activities over the period to 31 March 2007 are:

	2007	2006
	£'000	£'000
Operating profit		
Current service cost	–	–
Total operating charge	–	–
Other finance income		
Expected return on pension assets	349	284
Interest on pension scheme liabilities	(248)	(251)
Net return	101	33

18 Pension commitments (continued)

Illustrative amounts that would be included in the consolidated statement of financial activities are:

	2007 %	2007 £'000	2006 %	2006 £'000
Excess of expected over actual return on assets	1%	33	16%	811
Experience gains and losses arising on scheme liabilities	2%	81	1%	47
Effects of changes in actuarial assumptions	(7%)	(349)	(6%)	(287)
Total amount recognised in the consolidated statement of financial activities	(5%)	(235)	11%	571

Movement in asset during the period was:

	2007 £'000	2006 £'000
Asset/(deficit) at start of period	20	(737)
Contributions	215	152
Other finance income	101	33
Actuarial gain	344	572
Asset at end of period	680	20

The charity operates a defined contribution scheme for which the pension cost charge for the year amounted to £301,371 (2006 – £302,711).