



**navca**  
local focus national voice

# Annual Review & Financial Statements Year ended 31 March 2020











## NAVCA ANNUAL REVIEW & FINANCIAL STATEMENTS

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## Legal and administrative details

### Legal status

NATIONAL ASSOCIATION FOR VOLUNTARY AND COMMUNITY ACTION is a charity (No. 1001635) and a company limited by guarantee (No. 2575206).

### Directors and trustees

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees.

**The trustees of the charity during the year were as follows:**

<b>Judy Robinson</b>	Appointed Vice Chair, July 2019; appointed Chair, January 2020
<b>Alison Semmence</b>	Appointed Interim Chair, July 2019 - January 2020
<b>John Tizard</b>	Chair; resigned July 2019
<b>Brian Coghlan</b>	Treasurer
<b>Julie Farrow</b>	Vice Chair
<b>Richard Jackson</b>	Appointed Vice Chair, January 2020
<b>Will Lindesay</b>	Retired December 2019
<b>Melanie Mills</b>	
<b>Carole Phillips</b>	Retired December 2019
<b>Mike Wild</b>	
<b>Ryan Boyce</b>	Resigned October 2019
<b>Stephen Craker</b>	
<b>Angela White (Carter) OBE</b>	Appointed December 2019
<b>Kerrie Fletcher</b>	Appointed December 2019

As National Association for Voluntary and Community Action (NAVCA) is a company limited by guarantee, it does not have any paid up share capital.

John Tizard resigned his position in July 2019 in order to give greater focus to his commenting, political and campaigning activities. Alison Semmence (serving Vice Chair) was appointed Interim Chair, with Julie Farrow and Judy Robinson as Vice Chairs. In January 2020, Judy Robinson was appointed Chair, with Julie Farrow and Richard Jackson as Vice Chairs.

Thank you to NAVCA members for kindly sharing images for this report: Birmingham VSC, CCVS (Cambridge), Cumbria CVS, CA: MK (Milton Keynes), Connected Voice (Newcastle upon Tyne), Voluntary Impact Northamptonshire, Community Action Suffolk, VODA (North Tyneside); and to Danni Kennerley and Kiln Creative at VAST, Stoke on Trent for providing the design.

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Jane Ide

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**Company Secretary**

Jane Ide

**Independent Examiner**

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B1 2HB







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## Chair's Foreword

*Judy Robinson*

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The Annual Report this year shows an organisation that has delivered and adapted to dramatically changing circumstances but has kept a firm fix on its core mission to support voluntary sector infrastructure.

The first part of the year built on previous progress. For a dispersed network, communication has to be key. The appointment of the Head of Communications & External Affairs and the subsequent development of new channels to link members to NAVCA and to each other have been solid achievements. Similarly, providing practical resources, such as our Policy and Insight Bulletin and, most recently our COVID-19 Breakfast Bulletin, demonstrate our use of digital communications to be in close contact with members.

Influencing practice and policy on behalf of members is a central aim of NAVCA and we were involved in, for example, the review of the Charity Commission.

Improving NAVCA's financial stability has been one of the Board's aims. Towards the end of the year the picture improved considerably and we will want to build on this for future sustainability.

NAVCA is a member of a number of national bodies as part of the aim of communicating the value of infrastructure and making that value tangible. There is no better example of this than NAVCA's close involvement in the work of the VCS Emergencies Partnership and other associated work in the VCS and with government. This involvement started before COVID-19 but then took off with unprecedented demand. Here the essence of infrastructure came to the fore: carefully nurtured relationships; organisations trusted not to act out of self-interest and to collaborate; understanding and experience of localities and their different needs and voluntary sectors; and ability to marshal facts and people quickly. It is these practical and principled ways which have bridged divides, connected people and organisations and informed policy and practice. NAVCA, together with the movement, has demonstrated ably just why VCS infrastructure is vital and not only in a crisis.

However, the relationships and activity which voluntary sector infrastructure carefully nurtures and which have breadth and depth, know-how, connection and trust need crafting and supporting so they can play their full role. This will be next year's ambition.

For this year, I want to thank my fellow trustees for their support and trustees who retired – Carole Phillips and Will Lindesay – and John Tizard and Ryan Boyce, who stood down, for their service.

Lastly, we have enthusiastic and hardworking staff, turning ambition and hope into reality – thanks to them.

NAVCA has a strong team of members, staff and trustees and together we want to champion social action and the infrastructure organisations that support it.

*J. A. ROBINSON*

*Judy Robinson*  
Chair of Trustees

## Trustees' Report

The trustees, who are also directors for the purposes of company law, are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2020.

The legal and administrative information set out on pages 1 and 2 forms part of this report.

The financial statements comply with current statutory requirements and the trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities FRS 102 (second edition, October 2019)" in preparing the annual report and financial statements of the charity.

### Structure, governance and management

#### Governing document

National Association for Voluntary and Community Action (NAVCA) is a charitable company limited by guarantee, incorporated on 21 January 1991 and registered as a charity on 24 January 1991. The company is governed by its Memorandum and Articles of Association that were last amended on 15 October 2015. In the event of the company being wound up, members are required to contribute an amount not exceeding £5.

### Appointment of Trustees

Details of the trustees who have served during the year are set out on page 1. Trustees are elected annually by the members of the charity and serve for an initial period of three years. A further three year term may be served.

Elected trustees must be nominated by member organisations. The Board may also appoint up to three trustees in order to ensure it has an appropriate range of skills and experience. These trustees shall be eligible for re-appointment provided that they do not hold office for more than six consecutive years as an appointed or elected trustee.

Following a constitutional change agreed by a majority of members at the Annual General Meeting on 5 December 2019, the Board of Trustees now appoints the Chair for a term of three years.

All trustees give their time freely and no trustee was paid during the year. Details of trustee expenses and related party transactions are disclosed in notes 10 and 22 of the accounts.

Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the organisation's Memorandum and Articles, withdraw from decisions where a conflict of interest arises.



## Trustee induction and training

NAVCA provides an induction day for all new trustees and provides ongoing support and development as necessary.

Trustees are encouraged to attend appropriate training courses and conferences.

## Internal control and risk management

The trustees examine the major risks which the charity faces in relation to external factors and relationships, its governance and management, its internal operations and its business. The management of risk is reviewed by the Senior Management Team and by the Trustee Board.

The trustees continue to keep under review the systems of internal financial control. The systems have been designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- a strategic plan and an annual budget approved by the trustees
- regular consideration by the trustees of financial results, variance from budgets and performance against the non-financial annual plan
- delegation of authority and separation of duties.

The internal financial controls conform to guidelines issued by the Charity Commission.

## Details of our charity and our mission

NAVCA, the National Association for Voluntary and Community Action, is the national voice for local infrastructure in the voluntary and community sector.

The cornerstone of NAVCA's success, and the primary way we demonstrate our commitment to local voluntary and community action, is by providing leadership and support to our members.

We exist to support a vibrant network of local infrastructure organisations across England, and to help them grow in strength, confidence and impact.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's strategic aims and in planning future activities.

## Strategy and Organisational Delivery

### Goals and objectives for the year

#### *Strategically*

NAVCA's priority continues to be to support and strengthen our members by maintaining the networks and relationships between them, sharing knowledge and information between and with them, and modelling collaborative approaches in order to effect change for the sector and our ultimate beneficiaries.

We work to provide our members with a collective voice at national level and speak out clearly on key issues such as grant funding, regulation of the sector and policy change.

As an equal participant with our members in the movement for social change, we have a responsibility to identify new solutions, play our part in the leadership of change, and continually refresh and renew support for, and approaches to, social action. We take that responsibility very seriously.

In 2019/20, we recorded considerable success in achieving the objectives originally set in 2017, and crystallised our new five year strategy, with specific objectives, for implementation in 2020-2025.

#### *Organisationally*

NAVCA continues to build on the strong foundations of an agile, mobile, dynamic and outward looking team. Our collaborative working practices and supportive culture enable us to attract the highest level of talent whilst continuing to manage costs effectively. Our investment of time and energy in relationships with members, stakeholders and partners has led to tangible benefits in difficult times, particularly so as the COVID-19 crisis hit.

#### *Operationally*

NAVCA successfully met its business and charitable objectives.

Our goals for the year were to

- develop and strengthen our programme of member events and our communications with members;
- continuously make the case at national level for our members and for local infrastructure generally;
- develop a stronger policy voice through collaboration with our members;
- continue to strengthen our income generation pipelines, always with a clear link to the benefits to members of our income generating work; and
- develop and launch our five year strategy and governance review.



Three years ago we  
promised a NAVCA  
that is

How did we do?

A modern  
movement  
of member  
organisations

We have revitalised our relationships with our members, and drawn in new members year on year, by focusing on the value of the movement for local social action.

We know that NAVCA is more than a membership body. We are part of the movement for local social action led by our members. We know our role is to provide a framework within which local infrastructure organisations can share knowledge, learning, challenges and support.

We have worked hard to engage with members, to understand what they want, need and value from us, and we will continue to do so.

Ambitious and  
enthusiastic about  
local infrastructure  
as an instrument for  
social action

We have actively made a clear and consistent case for local infrastructure to policy makers, funding bodies, partners and collaborators within the sector.

We have seen demonstrable improvements in key stakeholders' perception and understanding of local infrastructure. Evidence includes public statements from government ministers and national funders on the value of a thriving local infrastructure network. Previously, those same stakeholders would have dismissed, or been unaware of the value of, local infrastructure.

We have put our members' work and successes at the heart of our communications strategy. We will to gather those stories and amplify them using a wide range of approaches.

**A vital point of connection and communication for intelligence, experience and good practice**

Our Chief Officers' Information Network (COIN) continues to be the single most important benefit highlighted by members, especially since we found ourselves in the midst of the COVID-19 pandemic.

We have increased the opportunities for members to network and share, in person and through digital channels. We did not hold a national conference within the year, but used our AGM in December 2019 as an event for members to form and strengthen relationships, and shape a number of policy positions.

We have invested in our communications function, with the appointment of our Head of Communications & External Affairs and the creation of the role of Policy & Communications Manager.

Within the first two weeks of the onset of the COVID-19 crisis we held video briefings attended by over 80 members (recorded for others to view) and strengthened our regular member communications with the launch of a highly valued Daily Bulletin and COIN round-up.

**Leading thinking, policy debate and action**

In January 2020, we relaunched our Policy and Insight Briefings, and gathered member views on a number of policy submissions including our evidence to Parliament's DCMS Committee's review of the Charity Commission.

At our AGM in December 2019, we held a workshop for delegates to gather their insight and intelligence on a wide range of policy positions and statements, including climate emergency, diversity and inclusion and Brexit. That exercise will continue to inform our activities on members' behalf.

From the start of the COVID-19 pandemic, we moved rapidly to ensure a high profile for our members' views and concerns. Before the end of March 2020, we had established a key presence in ministerial roundtables, engaged closely with members of the Shadow Cabinet, and achieved substantial social media coverage of the issues facing our members.

We took a leading role in the development and implementation of the #EveryDayCounts campaign, convening a number of national infrastructure bodies and ensuring active collaboration between us. The campaign resulted in £750m of emergency funding from government for the sector generally and around half of that being committed specifically to small, local charities.



Supported by a  
small staff hub in  
collaboration with  
members and as a  
national voice

We increased our capacity for project delivery and for communications/external affairs, with the creation of the roles of Head of Communication & External Affairs, Policy & Communications Manager, and Programmes Manager.

We controlled our staff costs by incorporating the work of the Head of Policy into the role of Head of Communications & External Affairs.

We frequently collaborate with members and draw on their skills and interests to help us deliver beyond the capacity of the staff team.

Modelling  
collaborative and  
positive leadership

We played a crucial role in the establishment of the VCS Emergencies Partnership, a unique pan-sector collaboration between major national charities such as British Red Cross and St John Ambulance and the local voluntary sector as represented by NAVCA, NCVO and Muslim Aid Foundation amongst others, designed to ensure a locally driven VCS response to any emergency or crisis.

At the onset of the COVID-19 crisis we were instrumental in convening a group of national infrastructure bodies to address the wide variety of issues we were all facing – including operational impact, policy input, mediation of a wide range of government and clinical guidance, and crucially, to campaign for urgently needed government support for the voluntary sector.

Media and digitally  
savvy

We continued to build on our existing strong relationships with sector media, and have started to develop our connections with wider media, including the BBC and national broadsheet press.

Our social media presence remains high, impactful and authentic, and we are developing new tools and techniques to maximise the value of our online presence.

The onset of the COVID-19 crisis demonstrated that NAVCA's commitment to working digitally and remotely gave us exactly the benefits of business continuity and resilience we had believed it would when we moved to this model in 2017. We were able to adapt seamlessly to the lockdown, and were in a good position to support our members and others in the sector, as they had to make major changes to their working practices in a matter of days.

## Valuing diverse opinions, ideas and actions which promote fairness

We introduced a 'blind' recruitment process to increase openness to candidates of all backgrounds and diverse characteristics. Monitoring the effectiveness of this approach is built in to the process and has given us a benchmark against which to measure improvement.

We maintained our commitment to ensuring that diversity is fully integrated into our events and publications.

When communicating with our stakeholders, we have spoken out on the need for greater engagement with marginalised communities by funders and policy makers. We have provided support and insight to NLCF, National Emergencies Trust and UK Community Foundations to try and improve the distribution of emergency funding into BAME and other marginalised communities.

We have developed relationships with key equality organisations including Equally Ours and the Equality Trust, and actively supported equalities-focused infrastructure organisations such as the Women's Resource Centre and Voice4Change in their response to the COVID-19 crisis.

As part of our own response to COVID-19, we have lobbied for emergency funding from government and elsewhere to be distributed with a strong focus on equalities, and particularly on the need for grant distribution to be prioritised for those organisations serving BAME and other marginalised communities.

We will continue to share our own journey of diversity, with our successes and our failures, for the learning of the wider sector.

## Working with other VCOs and national infrastructure on shared concerns and programmes

We have worked with other national infrastructure bodies including ACEVO, National Voices and Locality on issues such as safeguarding, social prescribing and the development of link workers, and the development of the Communities Framework with MHCLG.

Relationships built with other national infrastructure bodies in the past three years have come to fruition during the COVID-19 crisis. We played a key role in rapidly developing the pan-sector campaigns on funding and volunteering. Key partners include NCVO, ACEVO, Small Charities Coalition, Charity Finance Group, the Chartered Institute of Fundraising, Directory for Social Change, Children England, Locality, ACRE, Volunteering Matters, UK Community Foundations, Voice4Change, UK Youth and the Charity Retail Association





# Excellence, Everywhere

In December 2019, we launched our new five year strategy, *'Excellence, Everywhere'*.

## Our Vision

A society based on equality, fairness, active citizenship, strong communities and social action.

## Our Mission

To strengthen and champion social action through effective local voluntary and community sector infrastructure and social action.

## Our Aims

Every community in England benefits from a thriving local voluntary sector, strengthened through excellent local support and development.

Any person in England that wants to volunteer, start a charity or social enterprise or create a voluntary organisation has a place to go for good, local, advice and support.

Our members have a clear voice, effective influence and engaged support amongst key stakeholders, locally and nationally.

## Our Objectives

### Assure the quality

We can demonstrate and champion the quality of local sector support and development as delivered by every member of NAVCA.

### Make the case & fill the gaps

The local VCSE in every part of England has access to the quality support and development services it needs, either through a NAVCA member, a non-member local infrastructure body or an effective alternative model of provision.

### Lead by example

We have credibility and influence as the voice of local sector support and development, and provide the best possible support for our members, by being the best national infrastructure body we can be.

Operational plans were put in place to support the delivery of the strategy. However, the onset of the COVID-19 pandemic means those plans will have to be reviewed and revised once the immediate crisis has passed. Although the start of some work will be delayed, the crisis may, surprisingly, move some key elements forward at far greater pace than originally envisaged.

The unique and essential role played by NAVCA and our members in responding to the crisis, and the real-time collation of intelligence and data from across the country, will give us a solid foundation for making the case for local infrastructure and developing our research base to understand the national picture of local infrastructure provision.

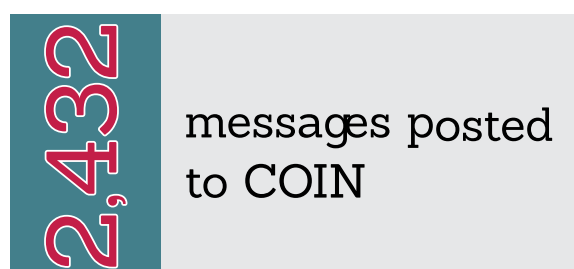
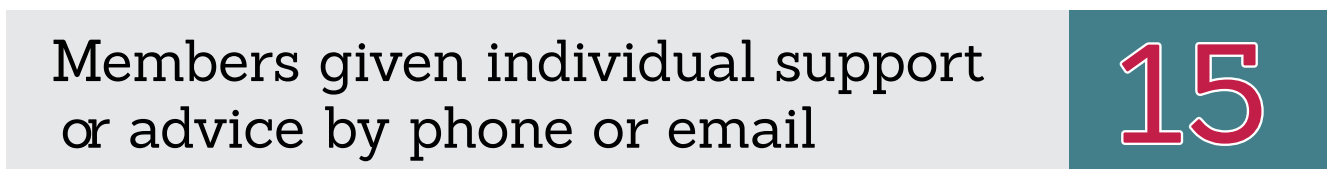
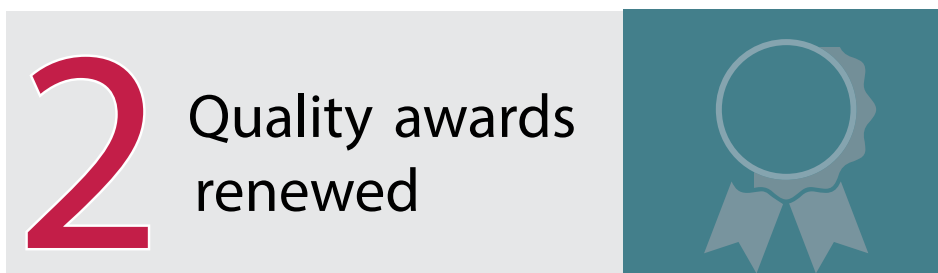




## Membership

The encouraging trend of recent years has continued in 2019/20, with seven new members joining during the year. Six did not renew during the year, the majority being organisations that no longer deliver local infrastructure support. We continue to offer free membership to any eligible organisation with income of less than £100k per year.

In response to the COVID-19 crisis and the essential role being played by local infrastructure organisations, in early March 2020 the Board of Trustees agreed to offer temporary membership to any eligible organisation that wished to access the support and shared learning of the NAVCA network. Within the last two weeks of March, two organisations took advantage of the opportunity, with eight more taking up temporary membership in April/May 2020. Each of these will have the opportunity to apply for full membership when the temporary arrangements end.



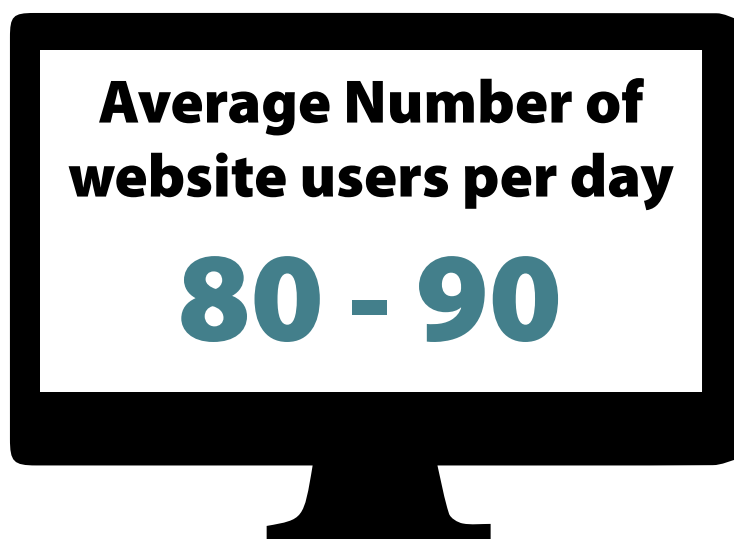
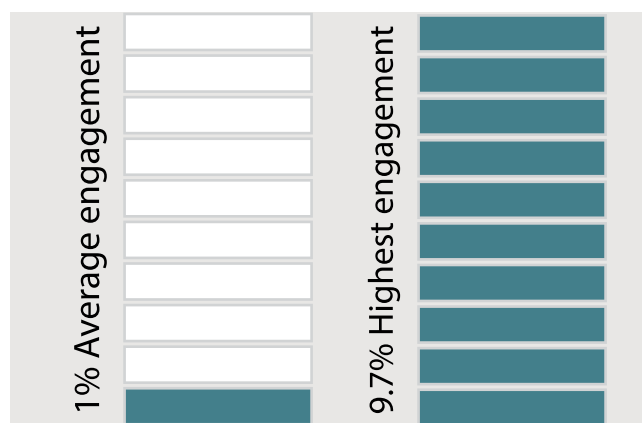
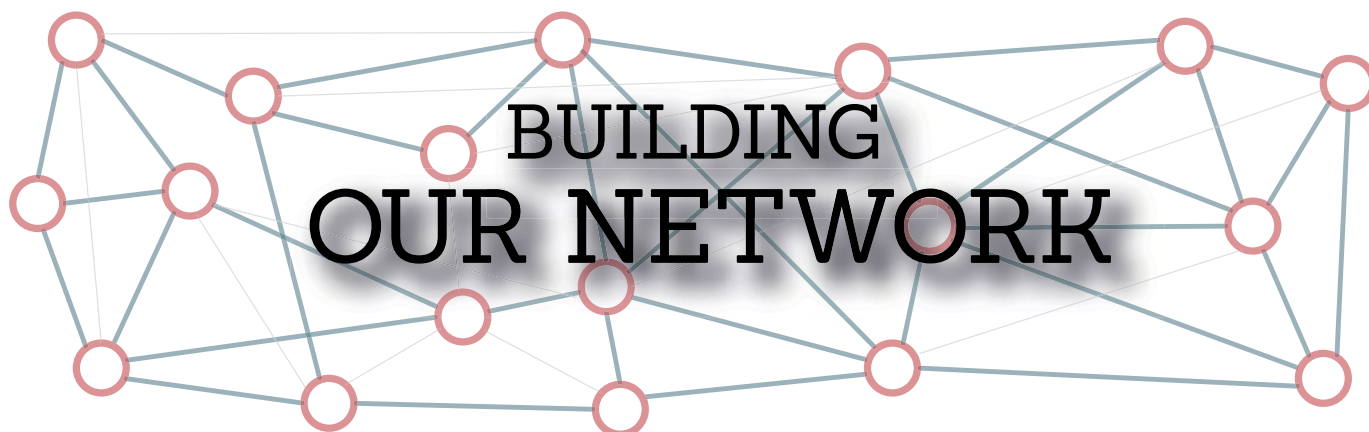
## National voice

### **NAVCA is a member of:**

- MHCLG Communities Partnership Board
- Local Communities Partnership (with Locality and ACRE)
- Health and Wellbeing Alliance (with Department of Health, NHS England and Public Health England)
- Home Office VCSE Stakeholder Forum
- Digital Code Steering Group
- Charity Tax Commission's reference group
- DCMS Domestic Charity Safeguarding Programme Group
- Enabling Social Action Advisory Group
- Rural England Stakeholder Group
- VCS Emergencies Partnership (vice chair and founding partner)
- National Emergencies Trust (founding Trustee until June 2019)

### **NAVCA has regular engagement with:**

- Minister for Civil Society
- Shadow Minister for Civil Society
- Department for Digital, Culture, Media and Sport
- Ministry of Housing, Communities and Local Government
- Department of Health and Social Care
- NHS England
- Public Health England
- Local Government Association
- Sport England
- A wide number of national infrastructure organisations, including NCVO, Locality, Acre



**197 subscribers to Health & Social Care bulletin**



## Risks, challenges and opportunities

### Risks identified 2019/20

#### *To members and the movement:*

- Continued challenges of constraints on funding and contracting relationships.
- Lack of political recognition at national and local level of the value of local infrastructure.
- The impacts of Brexit on local communities, especially those most disadvantaged.
- The financial and operational impact of COVID-19 on local communities, the local voluntary sector, and local infrastructure organisations.

#### *To NAVCA:*

- Lack of capacity to support members and the movement fully.
- Lack of capacity to respond to and maximise income generation opportunities.
- Immediate impact on income generation of the onset of COVID-19.

### Opportunities taken 2019/20

#### *For members and the movement*

- Development of 'Excellence, Everywhere' strategy with support from members.
- Development of relationships with government to build on the newly elected administration's interest in northern constituencies.
- Promotion of the crucial role of local infrastructure in delivering crisis response during the COVID-19 crisis at the highest national levels.
- Development of the VCS Emergencies Partnership as a key route for local infrastructure's role to be recognised in the response to any local or national emergency, and very specifically in the response to COVID-19.

#### *For NAVCA*

- Development of a clear, ambitious and meaningful five year strategy that focuses on the role of local infrastructure.
- Addressing some constitutional issues to ensure a fit-for-purpose governance model, and specifically moving to a Board appointment process for our Chair.
- Grasping the specific opportunities of the COVID-19 crisis to demonstrate our value to members and key stakeholders, to generate new relationships with funders for the immediate and hopefully longer term, and to deliver impact in supporting the delivery of support to those most badly affected by the crisis.
- Reaping the benefits of a digitally enabled, agile, mobile team in enabling a smooth transition to COVID-19 constraints on business operations.

## Looking ahead

In 2019/20, after a lengthy period of engagement and consultation with members, we crystallised the ambitious and challenging five year strategy that will underpin NAVCA's mission, direction of travel and operational activities for the next chapter of our history.

### **We want to:**

- challenge and reframe external perceptions about the value and importance of local infrastructure;
- ensure that membership of NAVCA is a 'badge of honour' that our members can wear proudly and that others can respect and be assured by; and
- end the current postcode lottery, where many communities have the advantage of a local sector support organisation working in their area but others simply don't have any such provision.

The impact of the sudden and deeply unpredictable COVID-19 crisis has brought the need for this strategy into sharp focus.

As we start the new financial year, we see our members on the frontline of emergency response and community support. Between them they are managing over a quarter of a million volunteers providing immediate assistance to those in self-isolation, shielding or vulnerable in other ways.

At the same time many members have reached the cliff-edge of financial stability, with their usual income generating activities largely or completely curtailed by the impact of the crisis.

Yet across the country, local infrastructure organisations are working hard to maintain their normal activities in support of the local voluntary sector, at a time when that sector needs more support than perhaps ever before.

Nationally and locally, government, local authorities, funders and other key stakeholders are acknowledging the essential need for local infrastructure, and recognising what the impact will be if those organisations fail.

We need to ensure that this new appreciation is sustained long after the crisis is over and is recognised through practical, financial and political support. To do that effectively, we need to deliver the objectives of our new strategy.

## Finances

We began the year in a stronger place than ever, building on the foundations laid over the previous two and a half years: an excellent staff team, renewed and refreshed relationships with members and stakeholders, and a clear understanding of our business model.

During the year, we worked closely with clients such as Big Society Capital, Barrow Cadbury and the Connect Fund on a Social Investment Programme, and the National Cyber Security Centre on the delivery of a programme to increase awareness of cyber security issues in local voluntary sector organisations. Both programmes were co-designed and co-delivered with our members.

We maintained our membership of the Health & Wellbeing Alliance for the third consecutive year, delivering projects on health inequalities, volunteering in the NHS and supporting Public Health England.

We hoped to make this the year in which we achieved break-even for the first time since 2013. Unfortunately, the impact of some extended staff absences during the year reduced our capacity at a key point in our business development cycle.

Coupled with the immediate impact of the COVID-19 crisis on our earned and investment income early in March 2020, this meant that we expected to close the year with an operational deficit of £34,653. Although substantially smaller than deficits reported in previous years, this was disappointing and of concern to the Board of Trustees given ongoing challenges and our reliance on reserves in previous years.

In common with many in our sector, we were unable to access any of the government support package put in place for businesses. With a small and extremely busy staff team, furloughing was not an option for us, and business loans would be unviable for our business model. We were not eligible for the grants put in place for small businesses, nor were we eligible for any of the £750m emergency financial support given by government to the voluntary sector (announced in early April 2020). In addition, our pipeline of earned income for 2020/21 dried up immediately the country went into lockdown, and it was impossible to forecast when, if at all, those income streams would recover.

However, the work in recent years to redefine NAVCA's business model and strategic focus, and in particular to raise the profile of local infrastructure and the value it brings to local communities and the local VCSE sector, meant that a number of funders recognised the importance of supporting NAVCA, and by extension our members, at such a crucial time.

Emergency unrestricted grant funding totalling £55,000 received from Lloyds Bank Foundation and the Barrow Cadbury Trust in late March 2020 enabled us to close the year with a small surplus for the first time in nearly a decade. Along with further emergency grant funding from the Tudor Trust and the Paul Hamlyn Foundation, and a substantial grant from National Lottery Community Fund, we are able to cover our core costs for the full year in 2020/21.

This financial support is all the more remarkable as we have not had any grant funding relationship with these funders previously; we are extremely grateful to them for offering us that support rapidly and generously.

Looking ahead financially, we know there will be challenges for ourselves as well as our members and our sector as a result of COVID-19. However, we are optimistic that we will be able to refocus our income generating activities and, in the medium to longer term, regain the advantages achieved in recent years to ensure a sustainable financial position.

	2017/18	2018/19	2019/20
Total income from charitable activities	£191,651	£287,281	£397,778
Total expenditure on charitable activities	£429,065	£349,622	£377,431



Membership numbers continue to hold steady; for the third consecutive year, we have attracted more new members than we have lost, although an in-depth data cleansing exercise has confirmed in that previous years the total number of members has been slightly misreported. The figures below reflect the number of members as reported in previous years.

Membership income and expenditure reported in previous years is, however, accurate. The reduction in membership income in 2019/20 reflects the fact that we did not hold an annual conference within the financial year.

We do have concerns over the impact of COVID-19 on our members and their sustainability, and we know that some are facing serious financial difficulties. This could have an impact on our membership numbers in the coming year.

For membership renewals in 2020/21, we have offered an extended grace period for those that cannot pay their fees immediately. However, we have also had a large number of members pay their fees early in order to support NAVCA and the wider network of members.

	2017/18	2018/19	2019/20
Number of members	180	183	174
Membership income	£52,778	£48,187	£43,735
Expenditure on member support	£291,338	£185,977	£188,581

## Reserves policy

NAVCA's reserves policy for this period was to retain sufficient funds to meet our liabilities should the organisation close, and to maintain sufficient free reserves for the delivery of our strategic plan along with a minimum of three months' operating costs.

In line with plans set out in 2018/19, a modest deficit budget was agreed for 2019/20 to allow for further organisational changes to be made, for the long term financial health and stability of the charity.

For 2019/20, the reserves level was set at around £250k. This was felt to be sufficient to underwrite the budgeted deficits in the period to 2019/20 and still provide sufficient working capital to manage the organisation. The actual level of free reserves at 31 March 2020 was £263k, comprising total unrestricted funds adjusted for total pension deficit and redundancy and closure costs.

## Investment powers and policy

Under its Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. At the end of 2019/20, over £207k has been invested. The remainder of the organisation's funds are held in deposit accounts. Funds are moved between accounts to maximise the interest earned. Bank interest receivable during the year amounted to £680.

At the date of the Balance Sheet, NAVCA's investments had suffered a recent significant fall. This was due to the overall fall in world financial markets as a result of the COVID-19 pandemic, and is in line with that experienced by many other organisations.

## Trustees' responsibilities in relation to the financial statements

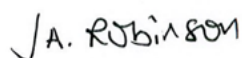
The trustees (who are also directors of the National Association for Voluntary and Community Action for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



*Judy Robinson*

Chair of NAVCA  
28 July 2020

## Independent Examiner's Report

I report on the accounts of the company for the year ended 31 March 2020 which are set out on pages 24 to 48.

### Respective responsibilities of trustees and examiner

As the charity trustees of the company (and, also, its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Philip Allsop FCA**  
28 July 2020

BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD



## Statement of financial activities 2020

		2020			2019	
	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Total £
Income and endowments from:						
Charitable activities	3	191,053	206,725	-	397,778	287,281
Investments	4	7,625	-	-	7,625	9,807
Total income and endowments		198,678	206,725	-	405,403	297,088
Expenditure on:						
Raising funds	5	(1,746)	-	-	(1,746)	(3,154)
Charitable activities	6	(170,706)	(206,725)	-	(377,431)	(349,622)
Total expenditure		(172,452)	(206,725)	-	(379,177)	(352,776)
Net (losses)/gains on investments	13	(14,256)	-	-	(14,256)	9,392
<b>Net income/ (expenditure)</b>		11,970	-	-	11,970	(46,296)
<b>Transfer between funds</b>	18	20,995	(20,995)	-	-	-
<b>Other recognised gains/losses</b>						
Re-measurement gain/(loss) on defined benefit pension plan	21	500	-	-	500	(1,290)
<b>Net movement in funds</b>		33,465	(20,995)	-	12,470	(47,586)
<b>Reconciliation of funds:</b>						
Total funds brought forward		328,898	38,660	4,588	372,146	419,732
Total funds carried forward		362,363	17,665	4,588	384,616	372,146

*All income and expenditure derive from continuing activities.*

*The statement of financial activities includes all gains and losses recognised during the year.*

## Balance Sheet - Year Ended 31 March 2020

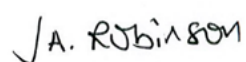
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	-	-
Investments	13	207,032	306,147
		207,032	306,147
<b>Current assets</b>			
Debtors	14	98,955	24,189
Cash at bank and in hand		172,300	150,667
		271,255	174,856
<b>Creditors: amounts falling due within one year</b>	15	(51,198)	(57,333)
<b>Net current assets</b>		220,057	117,523
<b>Total assets less current liabilities</b>		427,089	423,670
<b>Net assets excluding pension liability</b>		427,089	423,670
<b>Defined benefit pension liability</b>	21	(42,473)	(51,524)
<b>Net assets</b>		384,616	372,146
<b>Charity Funds</b>			
Endowment funds	19	4,588	4,588
Restricted funds	18	17,665	38,660
Unrestricted funds	18	362,363	328,898
Total charity funds	20	384,616	372,146

For the financial year, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 28 July 2020

Signed on behalf of the board of trustees



*Judy Robinson*  
Chair of NAVCA

The notes on pages 27 to 48 form part of these financial statements.

Company registration number: 02575206

## 1. Summary of significant accounting policies

### **(a) General information and basis of preparation**

National Association for Voluntary and Community Action (NAVCA) is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is being the national voice for local charity infrastructure concerned with voluntary and community action.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, October 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### **(b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives 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 are 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 or 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 are set out in the notes to the financial statements.



Endowment funds represent those assets, which must be held permanently by the charity, principally cash at bank and in hand. Income arising on the endowment funds can be used as instructed, to assist the staff of CVS to take part in community work seminars, conferences and other training opportunities in the UK or in Europe. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

**(c) Income recognition**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of restricted funding for delivery of services. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- costs of raising funds includes investment management fees;
- expenditure on charitable activities includes costs of activities undertaken to further the purposes of the charity; and
- other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

#### **(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Other overheads have been allocated on a time allocation basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. The analysis of these costs is included in note 7.

#### **(f) Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

IT equipment	3 years straight line
Office furniture and fittings	5 years straight line

**(g) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

**(h) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**(i) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined benefit pension scheme for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

**(j) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**(k) Going concern**

The financial statements have been prepared on a going concern basis, as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.







## 2. Statement of financial activities 2019

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
<b>Income and endowments from:</b>				
Charitable activities	108,236	179,045	-	287,281
Investments	9,807	-	-	9,807
<b>Total income and endowments</b>	<b>118,043</b>	<b>179,045</b>	<b>-</b>	<b>297,088</b>
<b>Expenditure on:</b>				
Raising funds	(3,154)	-	-	(3,154)
Charitable Activities	(170,577)	(179,045)	-	(349,622)
<b>Total Expenditure</b>	<b>(173,731)</b>	<b>(179,045)</b>	<b>-</b>	<b>(352,776)</b>
Net (losses)/gains on investments	9,392	-	-	9,392
<b>Net (expenditure)</b>	<b>(46,296)</b>	<b>-</b>	<b>-</b>	<b>(46,296)</b>
Transfer between funds	4,500	(4,500)	-	-
<b>Other recognised gains/losses</b>				
Re-measurement gain/(loss) on defined benefit pension plan	(1,290)	-	-	(1,290)
<b>Net movement in funds</b>	<b>(43,086)</b>	<b>(4,500)</b>	<b>-</b>	<b>(47,586)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	371,984	43,160	4,588	419,732
<b>Total funds carried forward</b>	<b>328,898</b>	<b>38,660</b>	<b>4,588</b>	<b>372,146</b>

### 3. Income from charitable activities

	Unrestricted £	Restricted £	2020 £	2019 £
Membership income	43,735	-	<b>43,735</b>	48,187
Grant and project income	55,000	206,725	<b>261,725</b>	179,045
Contract income	92,318	-	<b>92,318</b>	60,049
	191,053	206,725	<b>397,778</b>	287,281

#### *Grant and project income*

	2020 £	2019 £
<b>Restricted</b>		
HWA – Additional Projects	70,000	85,125
HWA (Health and Wellbeing Alliance)	60,000	60,000
Personal Health Budget	-	11,370
DCMS – Safeguarding	38,125	3,250
Social Investment Support (Barrow Cadbury Grant)	38,600	19,300
<b>Total restricted</b>	<b>206,725</b>	<b>179,045</b>
<b>Unrestricted</b>		
Lloyds Bank Foundation for England and Wales – grant for core expenditure	25,000	-
Barrow Cadbury Grant – grant for core expenditure	30,000	-
<b>Total unrestricted</b>	<b>55,000</b>	-
<b>Total grants and project income</b>	<b>261,725</b>	<b>179,045</b>
Membership fees and charitable purpose contracts	136,053	108,236
<b>Total resources from charitable activities</b>	<b>397,778</b>	<b>287,281</b>

#### 4. Income from investments

	2020 £	2019 £
Dividends	6,945	9,279
Interest	680	528
	7,625	9,807

#### 5. Raising Funds

	2020 £	2019 £
Investment manager fees	1,746	3,154
	1,746	3,154

#### 6. Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2020	Total 2019
Member Support	121,489	67,092	188,581	185,977
Grant and Project Expenses	100,602	11,741	112,343	103,497
Contract Expenses	62,249	14,258	76,507	60,148
	284,340	93,091	377,431	349,622

## 7. Support costs

Support costs totalling £93,091 (2019: £93,360) have been allocated across the activities of the charity on the following basis:

	Basis of allocation £	2020 £	2019 £
Governance (note 8)	Time spent & expenditure	31,222	20,133
Strategic	Expenditure	16,864	26,993
Premises	Expenditure	7,989	8,861
Operations	Expenditure	14,398	18,686
Information technology	Expenditure	11,147	12,531
Finance	Expenditure	4,564	3,068
Professional	Expenditure	6,907	3,088
		93,091	93,360

## 8. Governance costs

	2020 £	2019 £
Preparation of financial statements and independent examiner's fee	3,850	4,645
Trustee board expenses	7,072	7,546
Support costs	20,300	7,942
	31,222	20,133

## 9. Net income for the year

Net income is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	-	-
Operating lease rentals	355	355



## 10. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019: £nil).

The reimbursement of trustees' expenses was as follows:

	2020 Number	2019 Number	2020 £	2019 £
Travel and subsistence	11	12	4,870	5,198
	11	12	4,870	5,198

## 11. Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2020 Number	2020 FTE	2019 Number	2019 FTE
Travel and subsistence	6	5	6	5
	6	5	6	6

The total staff costs and employees' benefits was as follows:

	2020 £	2019 £
Wages and salaries	204,972	202,370
Social security	7,478	17,122
Other pension costs	18,125	19,921
Recruitment costs	3,501	33
	234,076	239,446

No employee received remuneration amounting to more than £60,000 in either year.

The trustees consider that the key management personnel comprised of the Chief Executive Officer. The total amount of employee benefits received by key management personnel is £58,716 (2019: £55,940).

## 12. Tangible fixed assets

	IT equipment £	Office furniture and fittings £	Total £
<b>Cost or valuation:</b>			
At 1 April 2019	101,996	106,818	208,814
Additions	-	-	-
Disposals	-	-	-
At 31 March 2020	101,996	106,818	208,814
<b>Depreciation:</b>			
At 1 April 2019	101,996	106,818	208,814
Charge for the year	-	-	-
At 31 March 2020	101,996	106,818	208,814
<b>Net book value:</b>			
At 31 March 2020	-	-	-
At 31 March 2019	-	-	-



### 13 . Fixed asset investments

	Listed investments £	Total £
<b>Cost or valuation: At 1 April 2019</b>	306,147	306,147
Additions	22,440	22,440
Disposals - proceeds	(107,299)	(107,299)
Gain on disposals	14,020	14,020
Revaluation	(28,276)	(28,276)
<b>At 31 March 2020</b>	<b>207,032</b>	<b>207,032</b>
<b>Carrying amount:</b>		
At 31 March 2020	207,032	207,032
At 31 March 2019	306,147	306,147

The historic cost of investments at 31 March 2020 was £206,513 (2019: £277,354).

Investments at fair value compromise:

	2020 £
UK fixed interest	18,611
Overseas fixed interest	68,528
UK Equities	28,877
European Equities	6,487
North American Equities	20,526
Japanese Equities	6,831
Far East & Australian Equities	6,434
Emerging Economies	3,312
Property	16,697
Alternate assets	30,729
	<b>207,032</b>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

No individual security held accounts for more than 5% of the portfolio by market value.

## 14. Debtors

	2020 £	2019 £
Trade debtors	66,690	18,224
Prepayments and accrued income	32,265	5,965
	98,955	24,189

## 15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,399	13,074
Other tax and social security	9,502	11,896
Accruals and deferred income	31,297	32,363
	51,198	57,333

## 16. Leases

### a) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	355	355
Later than one and not later than five years	443	789
Later than five years	-	-
	798	1,153



## 17. Deferred income

	2020 £
At 1 April 2019	5,582
Additions during the year	14,525
Amounts released to income	(1,950)
At 31 March 2020	18,157

Income has been deferred for sources of income where the conditions set by the donor have not been met at the year end.



## 18. Fund reconciliation

### *Unrestricted funds*

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2020 £
Unrestricted	156,612	198,678	(172,452)	(4,119)	(13,756)	164,963
Designated Funds:						
Underwriting fund	150,000	-	-	-	-	150,000
Development and redundancy	22,286	-	-	13,214	-	35,500
Emergency funding – COVID-19	-	-	-	11,900	-	11,900
	328,898	198,678	(172,452)	20,995	(13,756)	362,363

## Fund reconciliation

### *Unrestricted funds prior year*

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2019 £
Unrestricted	149,698	118,043	(173,731)	54,500	8,102	156,612
Designated Funds:						
Underwriting fund	200,000	-	-	(50,000)	-	150,000
Development and redundancy	22,286	-	-	-	-	22,286
	371,984	118,043	(173,731)	4,500	8,102	328,898

### *Designated funds*

The unrestricted funds of the charity include the following designated funds, which have been set aside out of unrestricted funds by the Trustee Board for specific purposes

#### **Underwriting fund**

Designation to support future budgets with predicted deficits

#### **Development and Redundancy**

Funds for redundancy and associated costs and for development from reserves. This has been reviewed and updated as part of our annual process to reflect our latest analysis of costs and redundancy liabilities in the event of closure.

#### **Emergency funding – COVID-19**

Funds from the emergency grant funding received in 2019/20 from Lloyds Bank Foundation and Barrow Cadbury designated to support the delivery of essential support to local infrastructure in the response to the COVID-19 pandemic in the first quarter of 2020/21. Specifically, to support the collation and analysis of information about the immediate impact of the pandemic on local organizations and people, and to provide NAVCA with additional funding to respond to the Covid-19 emergency and maintain member services during the crisis.

## Fund reconciliation (continued)

### Restricted funds

	Balance at 1 April 2019 £	Movement in resources		Transfers £	Balance at 31 March 2020
		Incoming £	Outgoing £		
HWA – Additional Projects	-	70,000	(70,000)	-	-
HWA – (Health and Wellbeing Alliance)	-	60,000	(60,000)	-	-
Member support and development fund	13,052	-	-	(13,052)	-
SFC	5,480	-	-	(5,480)	-
Campaigning and advocacy	2,463	-	-	(2,463)	-
Tender Support Project	4,049	-	-	-	4,049
Public Law Project	13,616	-	-	-	13,616
Social Investment Support	-	38,600	(38,600)	-	-
DCMS – Safeguarding	-	38,125	(38,125)	-	-
	38,660	206,725	(206,725)	(20,995)	17,665

## Fund reconciliation

### Restricted funds prior year

	Balance at 1 April 2018 £	Movement in resources		Transfers £	Balance at 31 March 2019 £
		Incoming £	Outgoing £		
HWA – Additional Projects	-	85,125	(85,125)	-	-
HWA – (Health and Wellbeing Alliance)	-	60,000	(60,000)	-	-
Member support and development fund	17,552	-	-	(4,500)	13,052
SFC	5,480	-	-	-	5,480
Campaigning and advocacy	2,463	-	-	-	2,463
Tender Support Project	4,049	-	-	-	4,049
Public Law Project	13,616	-	-	-	13,616
Personal Health Budgets	-	11,370	(11,370)	-	-
Social Investment Support	-	19,300	(19,300)	-	-
DCMS – Safeguarding	-	3,250	(3,250)	-	-
	43,160	179,045	(179,045)	(4,500)	38,660

## 18. Fund reconciliation (continued)

### **Health & Wellbeing Alliance (HWA)**

NAVCA is a member of the VCSE Health & Wellbeing Alliance. The HWA is a partnership between the voluntary sector and the health and care system (as represented by NHS England, Department of Health & Social Care, and Public Health England) to provide a voice and improve health and wellbeing for all communities.

### **Member support and development fund**

This fund was created from the balances of a number of restricted funds. The original funds were for providing training and support to infrastructure organisations and this fund will provide similar support. In 2019/20 the outstanding balance of this fund was allocated to NAVCA's work of supporting our members' work and development through the delivery of a range of learning and networking events and resources, and to subsidise membership fees for those members facing financial hardship.

### **SFC**

This was a programme of work funded by the Home Office to support the voluntary, community and social enterprise sector to play an active role in the new arrangements for police and crime commissioners. In 2019/20 resources from this fund were allocated to support NAVCA's work as a member of the VCS Emergencies Partnership, specifically enabling local infrastructure organisations to play a more visible and active role in local arrangements for emergency response (which are the responsibility of police and crime commissioners.)

### **Campaigning and advocacy**

NAVCA delivered training workshops for local campaigners. In 2019/20 resources from this fund were allocated to NAVCA's work supporting members in their local campaigning and advocacy work.

### **Tender Support Project**

This was a project to provide support to increase organisations' ability to win contracts to deliver public services.

### **Public Law Project**

NCVO was the lead partner on this Big Lottery funded project. This was to work with NCVO on development of a legacy for the project.

### **Personal Health Budgets**

This was a project carried out on behalf of NHS England by NAVCA as a member of the Voluntary Voices partnership (with National Voices and Volunteering Matters). The project delivered a national programme of workshops for local VCS organisations to inform and engage them in the NHS Personal Health Budgets programme.

### **Social Investment Support**

This is a project funded by Big Society Capital and the Connect Fund to raise awareness and expertise in social investment among NAVCA members and, through them, the local voluntary sector in England.

### **DCMS – safeguarding**

NAVCA is a member of the Safer Social Partnership (along with NCVO, Acre, Children England and others) which won funding from the National Lottery Community Fund to develop safeguarding resources for the voluntary sector in England under phase 1 of the Safeguarding Training Fund.

## 19. Endowment fund

The Sir John Wrigley Bequest was made in 1978 to the National Council for Social Services and subsequently devolved to NAVCA. The income from the bequest is being used as instructed, to assist the staff of CVS to take part in community work seminars, conferences and other training opportunities in the UK or in Europe.

## 20. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Investments	207,032	-	-	207,032
Cash and current investments	150,047	17,665	4,588	172,300
Other current assets/liabilities	47,757	-	-	47,757
Pensions provision	(42,473)	-	-	(42,473)
	362,363	17,665	4,588	384,616

## Analysis of net assets between funds prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Investments	306,147	-	-	306,147
Cash and current investments	107,419	38,660	4,588	150,667
Other current assets/liabilities	(33,144)	-	-	(33,144)
Pensions provision	(51,524)	-	-	(51,524)
	328,898	38,660	4,588	372,146



## 21. Pensions and other post-retirement benefits

The company participates in a multi-employer scheme, which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee, the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2017 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2017 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

## 21. Pensions and other post-retirement benefits (continued)

### *Present value of provision*

	31 March 2020 (£s)	31 March 2019 (£s)	31 March 2018 (£s)
Present value of provision	42,473	51,524	51,197

### *Reconciliation of opening and closing provisions*

	<b>Period Ending</b> 31 March 2020 (£s)	<b>Period Ending</b> 31 March 2019 (£s)
Provision at start of period	51,524	51,197
Unwinding of the discount factor (interest expense)	652	819
Deficit contribution paid	(8,551)	(6,598)
Remeasurements - impact of any change in assumptions	(1,152)	471
Remeasurements - amendments to the contribution schedule	-	5,635
Provision at end of period	42,473	51,524

### *Income and expenditure impact*

	<b>Period Ending</b> 31 March 2020 (£s)	<b>Period Ending</b> 31 March 2019 (£s)
Interest expense	652	819
Remeasurements - impact of any change in assumptions	(1,152)	471
Remeasurements - amendments to the contribution schedule	-	5,635

### *Assumptions*

	31 March 2020 % per annum	31 March 2019 % per annum	31 March 2018 % per annum
Rate of discount	2.53	1.39	1.71

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## 22. Related party transactions

A majority of NAVCA trustees are employees of NAVCA members. NAVCA sells services to and buys services from its members on the same terms as any other party.

During the year services were sold to members that were connected to trustees as follows. These figures excluded membership fees:

Trustee	Related organisation	2020 £	2019 £	Description of goods
Carole Phillips	CEO VA North Lincs	-	926	HR services and events
Will Lindesay	CEO HVOSS	-	922	HR services and events
Wendy Stephens	CEO Voscur	-	1,643	HR services and events

During the year the following monies (due to services rendered or grants) were paid to the following members that were connected to trustees as follows:

Trustee	Related organisation	2020 £	2019 £	Description of goods
Steven Craker	Communities 1st ( St Albans – Hertsmere)	1,200	-	Training services
Carole Phillips	CEO VA North Lincs	285	-	Training services
Alison Semmence	CEO York CVS	1,111	-	Room hire and associated costs
Angela Carter	CEO Sefton CVS	727	-	Training services
Richard Jackson	CEO VA Leeds	144	-	Catering costs
Kerrie Fletcher	CEO South Derbyshire CVS	173	-	Training services
Mike Wild	CEO MACC	149	-	Catering costs
Julie Farrow	CEO Hunts Forum	47	-	Training services

## 23. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

Financial assets	2020 £	2019 £
Measured at fair value through net expenditure:		
- Fixed asset listed investments (note 13)	207,032	306,147
	207,032	306,147
Debt instruments measured at amortised cost:		
- Trade debtors (note 14)	66,690	18,224
- Other debtors (note 14)	32,265	5,965
	98,955	24,189
Measured at amortised cost		
- Trade creditors (note 15)	10,399	24,372
- Other creditors (note 15)	40,799	32,961
	51,198	57,333

The income, expenses, net gains and net losses attributable the charity's financial instruments are summarised as follows:

Income and expense	2020 £	2019 £
Financial assets measured at fair value through net expenditure		
Dividends received (note 4)	6,945	9,279
Gain on disposal of investments (note 13)	14,020	16,902
Net (losses) on revaluation of investments (note 13)	(28,276)	(7,510)



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NATIONAL ASSOCIATION FOR VOLUNTARY AND COMMUNITY ACTION is a charity (No. 1001635) and a company limited by guarantee (No. 2575206).

