



**navca**  
local focus national voice

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**ANNUAL REVIEW &  
FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2018**

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## 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:

**Caroline Schwaller MBE**  
*Chair*

**Wendy Stephenson**  
*Vice Chair*

**Soo Nevison**  
*Treasurer*

**Julie Farrow**

**Sajid Hashmi MBE**  
*Retired December 2017*

**Richard Jackson**  
*Appointed December 2017*

**Dinah Lane**  
*Retired December 2017*

**Will Lindesay**

**Melanie Mills**

**Carole Phillips**

**Judy Robinson**

**Mike Wild**

**Alison Semmence**  
*Appointed December 2017*

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

### Chief Executive

Neil Cleeveley (resigned August 2017)  
Jane Ide (appointed August 2017)

### Company Secretary

Isabel Hartland (resigned August 2017)  
Jane Ide (appointed August 2017)

### Principal and Registered Office

The Workstation  
15 Paternoster Row  
Sheffield  
S1 2BX

### Independent Examiner

Philip Allsop  
BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

### Investment Managers

Investec Wealth and Investment  
Beech House  
61 Napier Street  
Sheffield  
S11 8HA

### Bankers

Unity Trust Bank plc  
Nine Brindley Place  
Birmingham  
B1 2HB



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## CHAIR'S FOREWORD

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Caroline Schwaller MBE

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NAVCA's mission remains constant - to strengthen and champion social action through local infrastructure. Membership will always be first and foremost at the heart of our work, and working together is more important than ever if we are to ensure that local infrastructure remains vocal, mutually supportive and influential, while stimulating and supporting social action.

During a year of intensive transition to a new structure and refreshed objectives the Trustees and small staff team continued to shape the organisation for its work in the longer term amidst the need to trim outgoings and build income.

NAVCA is now leaner and more focused than it was a year ago. We have introduced a new membership model designed to respond to the diversity of our members and what they need from us; embracing new technology has given us the capacity to refocus our time and capacity on more direct engagement with members; and the strategic pillars defined by the Board in 2016/17, **influence, intelligence, communication and supporting the movement for local social action**, have given us a strong framework within which to work.

And the transition continues. Priorities in coming months include creating a longer term plan, ensuring that opening up opportunities for new work are a strategic fit, achievable and resourced; and continuing to strengthen the growing national networks where NAVCA is clearly demonstrating leadership on behalf of our members.

Trustees acknowledge that integral to organisational reform, it is also important to look at governance and have committed to carrying out a board review in the coming year. Both I and Soo Nevison, our Treasurer of the past six years, will be retiring at the 2018 AGM as our terms have ended, and the organisation can expect to have new faces round the table bringing fresh ideas and experience.

There remains a clear need for an assertive voice for local infrastructure and social action, alongside NAVCA's desire for mutuality and co-production and a flourishing membership. NAVCA is and will continue to be a can-do organisation with a very clear sense of purpose, and I look forward to seeing it go from strength to strength.

Thank you to all those who support and influence the cause, who are part of the movement inside and outside it, to our Trustees and staff for their ongoing commitment and determination, and to those staff and Trustees who moved on during the year.

A handwritten signature in black ink that reads 'Caroline Schwaller'.

Caroline Schwaller MBE  
Chair of NAVCA

## 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 2018.

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 (as updated by Update Bulletin 1)" in preparing the annual report and financial statements of the charity.

### Structure, governance and management

#### Governing document

The 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 which 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

The Trustees who have served during the year are set out on page 4. The 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.

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.

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.

Trustees are encouraged to attend appropriate training courses and conferences. NAVCA has a specific budget for this purpose.

### 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**, our 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 2017/18 we set ourselves four specific strategic objectives:

- To build a reinvigorated relationship with our members
- To become the partner of choice – for stakeholders, commissioners, collaborators and potential applicants for merger
- To deliver visible leadership in the social action movement, influencing policy and practice, with and by our members
- To achieve financial stability and a platform for future financial growth

**Organisationally** this was the year in which the brave and challenging changes implemented by the Board in 2016/17 (and reported in our previous annual review) became established as NAVCA's mode of operation.

The in-depth review of NAVCA's operations carried out in the previous financial year resulted in a full restructure of the organisation. That restructure, co-incidental with the retirement of Chief Executive Neil Cleeveley, resulted in a smaller, refocused and largely newly recruited team of staff taking up their posts in the summer of 2017.

The structure of the new team was specifically designed to reflect and support the pillars of activity that underpinned the strategic direction set by the Board – influence, intelligence, supporting the movement and communication.

Jane Ide, appointed as Chief Executive to succeed Neil in August 2017, led that new team to implement a major change to the operating model of the organisation, focusing very specifically on digitally enabling the staff team to work flexibly, collaboratively and dynamically. Office space was radically reduced and investment made in mobile technology, with a specific intention that the majority of the staff team would be based remotely from the main office.

This brought some immediate benefits in allowing the recruitment of staff from the widest available pool of qualified candidates across the country, the reduction of premises costs by around 50%, and a tangible improvement in our business resilience.

The longer terms benefits currently being realised are of a team that is better able to engage with NAVCA members and external stakeholders, regardless of their location; is more productive and responsive to business need; is actively collaborative with a culture of open communication and focused delivery; and is well equipped, practically and philosophically, to meet the challenges of the future whatever they may be.

**Operationally**, NAVCA successfully met its business and charitable objectives.

### Our goals for the year were to

- redevelop and refocus our offer to members;
- strengthen our relationship with members;
- actively deliver on our promises to members, particularly in relation to voice at national level and peer-to-peer networking; and
- implement necessary internal changes to secure the financial and operational future of the organisation.

| Last year we promised a NAVCA that is ...  | How are we doing?   | What will we do next?   | Leading thinking, policy debate and action                                       |   |  |
|--|---|---|--|---|--|
| <p><b>A modern movement of member organisations</b></p>  | <p>Throughout the period of major change at NAVCA – and the enormous pressures facing our members – our membership numbers have stayed steady, with only four members lost this year due to their closure/merger. Members have consistently confirmed that they value NAVCA as their national membership body and support our development into an organisation fit for the future</p> <p>We've consulted widely with our members about the model of membership, the benefits and the approach they want us to take, and redesigned our membership structure as a result</p> | <p>Implement our new membership model in 2018/19 and work hard to ensure that every single member gets the value they want from their membership of NAVCA</p>   | <p><b>Leading thinking, policy debate and action</b></p>                         | <p>We talked to members, individually and in larger groups, about what matters to them</p> <p>We drew on member input to contribute to national policy developments – including challenges to the Lobbying Act, the Unwin Inquiry into the Future of Civil Society and the Locality Commission on the Future of Localism</p> <p>We have engaged with key national stakeholders, to ensure the voice of the small, local VCS generally and of local infrastructure has been heard – for example, influencing the Fundraising Regulator's approach to small charities, the IPCC's commitment to engaging with local infrastructure when investigating a contentious issue within communities, and the Charity Commission's work on the VCS response to national emergencies</p> | <p>Continue to draw on member input to develop policy thinking and principles</p> <p>Continue to develop existing relationships of influence</p> <p>Develop a stronger sense of our ability to influence, as the unique voice of local infrastructure in England</p>         |
| <p><b>Ambitious and enthusiastic about local infrastructure as an instrument for social action</b></p>     | <p>We have adopted an approach of 'banging the drum' for local infrastructure and local social action that underpins all our communications and external stakeholder activity</p>   | <p>Develop our work on 'telling the story' of local infrastructure – particularly highlighting the impact on the local VCS when it does not have effective local sector support and development</p>   | <p><b>Modelling collaborative and positive leadership</b></p>                    | <p>Our organisational voice and culture is fully focused on acting collaboratively and positively; we have actively sought out partnerships and improved relationships with other bodies</p> <p>We have delivered consultancy support on collaborative commissioning and spoken publicly about developing truly co-designed and co-produced ways of working</p>   | <p>Find effective and impactful ways to regularly showcase the great examples of collaborative and positive leadership we have within our membership</p> <p>Actively seek out meaningful collaborations on our own behalf – and then tell the story of what they achieve</p> |
| <p><b>A vital point of connection and communication for intelligence, experience and good practice</b></p> | <p>Our COIN network (a closed group for member Chief Officers) continues to thrive for those that choose to use it to share ideas, knowledge and challenges</p> <p>We hosted a highly successful national conference, designed to challenge, inspire and provoke positive debate</p> <p>We started to develop a programme of member forums around specific topics, bringing together the diversity of our membership to share thinking and good practice</p> <p>We shared policy reviews on topics such as the Budget and changes within Government</p>                     | <p>Launch a new platform for members to share discussions, debates and resources</p> <p>Extend the reach of our networking tools to support members' staff as well as Chief Officers</p> <p>Bring together our members to network and learn through a full programme of national, regional and topic specific events</p> <p>Become an active source of intelligence on current and future policy developments</p> | <p><b>Valuing diverse opinions, ideas and actions which promote fairness</b></p> | <p>We have actively recruited within the team for diversity of thinking, approach and background</p> <p>We have championed the rich diversity of our membership, reflecting as it does the wide variety of local communities and their needs</p>  | <p>Under the leadership of our new Chair, implement a review of the Board and its role, with a particular interest in maintaining and developing diversity in all its forms</p>  |

### Media and digitally savvy

We have put digital enablement at the heart of our operating model, becoming almost 100% mobile and digitally collaborative in our working practices

We have developed a high impact profile on Twitter, specifically designed to amplify and publicise the work of our members and the role of local infrastructure in delivering social action

We have updated and refreshed our enewsletter, Linx, and adopted a dynamic, positive tone of voice in all our corporate communications

Find ways to increase communications capacity, specifically at strategic level

Develop a meaningful communications and media engagement strategy

Continue to practice our 'fail fast' philosophy of trying new digital tools when appropriate and for rapid results

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

The staff team was restructured and now consists of six people (five FTEs) working dynamically, flexibly and collaboratively with each other and with members

Consider ways of developing greater capacity in specific areas, particularly around communications and project delivery

Learn more about what our members can offer to help us deliver on their behalf

Continually punch above our weight at national level through smart networking, communication and influencing

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

We have established strong working relationships with other national infrastructure bodies, voluntary sector organisations and key players – including NCVO, ACEVO, Association of Chairs, Small Charities Coalition, Locality, Acre, CFG, DSC, Lloyds Bank Foundation Trust and NPC.

We have been joint signatories to letters on issues ranging from the Lobbying Act to the appointment process for the Chair of the Charity Commission.

Build on those relationships to deliver tangible benefits for members in a variety of ways

Develop a formal stakeholder engagement strategy to underpin the use of our energy and resources to maximum benefit





ENGAGEMENT WITH MEMBERS

Future Forward conference  
December 2017

99%  
of delegates rated it  
'great'

(the rest said 'It could have been EVEN better!')

4  
member roundtables

3  
Members joined Trustee Board meetings

11  
members visited

4  
AGMs and events spoken at



1022 messages posted to COIN  
(Chief Officers' Information Network)



DCLG Communities and Partnership Board

The Home Office VCSE Stakeholder Forum

Member of

The Health and Wellbeing Alliance (with Department of Health, NHS England and Public Health England)

Local Communities Partnership (with Locality and ACRE)



13,000+ followers  
(up from 10,000+ last year)

Twitter engagement consistently around 0.9 – 1.0% and peaking regularly at between 2% and 3%

Around 1000 subscribers to  
down from 2000+ post-GDPR

**LINX**

150 subscribers to Health & Social Care bulletin  
down from 900 post-GDPR and now reserved as a member benefit

NATIONAL VOICE



## RISKS, CHALLENGES AND OPPORTUNITIES

### Risks identified 2017/18

#### To members and the movement:

- Difficult commissioning and operating environments
- Competition from within and outside the sector
- Lack of political support for or interest in the charitable and voluntary sector



#### To NAVCA:

- Reduction in member numbers due to member mergers, closures or changing operating models
- Reduction in member fees due to reducing member income
- The impact of a major transformation plan and internal reorganisation
- The need to recruit new staff in challenging circumstances
- The need to make impactful changes within a tight timescale



### Opportunities taken 2017/18

#### For members

- Creating more opportunities to network, share best practice and develop new thinking
- Giving members a consistent, specific voice at national level in a range of arenas and contexts
- Speaking out on behalf of the sector at national and regional levels, in the media and through social media



#### For NAVCA

- The move to a digitally enabled, flexible, collaborative operating environment
- The recruitment of key staff from an extremely strong pool of candidates
- The reduction of fixed overheads and ongoing operating costs
- A refreshed public image, speaking with confidence on behalf of members and the organisation



**Financially**, we accepted and planned for the fact that we would start and end the financial year in a deficit position, and that the necessary restructure and redevelopment of the organisation would carry increased costs within year.

We also acknowledged and recognised that driving through such major organisational change at pace would impact on our ability to generate income. This, along with a major change to the Department of Health Strategic Partner programme (and resulting drop in income) meant that we expected serious pressure on our finances for the year.

The budget agreed for the year 2017/18 therefore forecast an operating deficit of £358,200. Trustees committed to the principle that the immediate financial challenge would be offset by drawing on reserves in order to maintain operations for the year, thereby enabling NAVCA to realise tangible longer term financial, operational and strategic goals in coming years.

A revised budget following the implementation of the restructure forecast an operating deficit of £272,678 .

And, as reported in more detail below, the final actual operating deficit for 2017/18 was £236,961.

|                           | 2016     | 2017     | 2018    |
|---------------------------|----------|----------|---------|
| Number of members         | 176      | 184      | 180     |
| Membership income         | £54,030  | £53,785  | £52,778 |
| Grants and project income | £193,944 | £246,620 | £82,855 |

## LOOKING AHEAD

The complete organisational restructure implemented and embedded in this financial year puts NAVCA in a strong place moving forward. We have an enthusiastic, committed and dynamic staff team, firmly focused on reinvigorating and renewing our relationship with our members. In 2018/19 we are introducing a revised membership model and have fully committed to delivering increased membership benefits across all categories of membership.

We continue to reduce costs, especially through a continuous process of the review and rationalisation of operating overheads; and we have the courage to invest appropriately in the right tools and technology to support the effective, productive and responsive operation of the organisation.

Financially we inevitably still face some big challenges. We currently receive no funding from any outside body other than the £60,000 grant we receive as members of the Health and Wellbeing Alliance. We are working hard to secure funding from a range of sources – but we are absolutely committed to the principle that we will generate income in ways that deliver direct benefit to members and that we will resist the mission drift that can come from pursuing less relevant income streams.

2018/19 will be another year of change for NAVCA. Whilst the staffing structure is now well embedded and operating well, at Board level we will see the end of tenure of both our current Chair and Treasurer. Our newly elected Chair and newly appointed Treasurer will take up their roles at our AGM in December.

We are also appointing a third independent Trustee to provide fresh perspective and balance to the representation of members through elected Trustees.

Having led the organisation through root-and-branch reviews of NAVCA's operating model and our offer to members, the final piece of work to do in establishing NAVCA's strong, vibrant and optimistic future is for the Board to review itself. The Board has committed to undertaking that work under the leadership of our new Chair.

### Finances

#### Reserves policy

NAVCA's reserves policy for this period was to ensure that we retain sufficient funds to meet our liabilities should the organisation close, and to maintain a sufficient level of free reserves to enable the delivery of its strategic plan and cover a minimum of six months' operating costs.

In line with the three year strategic plan set out in 2014/15 a deficit budget was agreed for 2017/18 to allow for further necessary changes to be made for the long term financial health and stability of the organisation.

Taking this into account the reserves level was set at around £300k for 2017/18. This level of reserves was felt to be sufficient to underwrite the budgeted deficits in the period to 2018/19 and still provide sufficient working capital to manage the organisation.

#### Investment powers and policy

Under its Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. At the end of the year almost £368k had 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 £261.

#### 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

Caroline Schwaller MBE  
Chair of NAVCA

## Independent Examiner's Report

I report on the accounts of the company for the year ended 31 March 2018 which are set out on pages 23 to 44.

### 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

BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

|   |      | 2018                 |                    |                   | 2017           |                |
|---|------|----------------------|--------------------|-------------------|----------------|----------------|
|   | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total £        | Total £        |
| <b>Income and endowments from:</b>                  |      | 108,796              | 82,855             | -                 | 191,651        | 395,185        |
| Charitable activities                               | 3    | 9,510                | -                  | -                 | 9,510          | 17,533         |
| Investments   | 4    |                      |                    | -                 |                |                |
| <b>Total income and endowments</b>                  |      | 118,306              | 82,855             |                   | 201,161        | 412,718        |
| <b>Expenditure on:</b>                              |      |                      |                    | -                 |                |                |
| Raising funds                                       | 5    | (2,960)              | -                  | -                 | (2,960)        | (4,975)        |
| Charitable activities                               | 6    | (343,902)            | (85,163)           |                   | (429,065)      | (559,810)      |
| <b>Total expenditure</b>                            |      | (346,862)            | (85,163)           | -                 | (432,025)      | (564,785)      |
| Net (losses) / gains on investments                 | 14   | (6,131)              | -                  | -                 | (6,131)        | 82,326         |
| <b>Net expenditure</b>                              |      | (234,687)            | (2,308)            | -                 | (236,995)      | (69,741)       |
| <b>Other recognised gains / losses:</b>             |      |                      |                    |                   |                |                |
| Re-measurement loss on defined benefit pension plan | 22   | 34                   | -                  | -                 | 34             | (2,984)        |
| <b>Net movement in funds</b>                        |      | (234,653)            | (2,308)            | -                 | (236,961)      | (72,725)       |
| <b>Reconciliation of funds:</b>                     |      |                      |                    |                   |                |                |
| Total funds brought forward                         |      | 606,637              | 45,468             | 4,588             | 656,693        | 729,418        |
| <b>Total funds carried forward</b>                  |      | <b>371,984</b>       | <b>43,160</b>      | <b>4,588</b>      | <b>419,732</b> | <b>656,693</b> |

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 2018

|   | Note | 2018<br>£      | 2017<br>£      |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                   |      |                |                |
| Tangible assets                                       | 12   |                |                |
| Investments   | 13   | -              | -              |
|   |      | 367,874        | 376,390        |
| <b>Current assets</b>                                 |      | 367,874        | <b>376,390</b> |
| Debtors   | 14   |                |                |
| Cash at bank and in hand                              |      | 18,723         | 106,936        |
|   |      | 187,111        | 386,763        |
| <b>Creditors: amounts falling due within one year</b> | 15   | 205,834        | <b>493,699</b> |
|   |      | (102,779)      | (155,760)      |
| <b>Net current assets</b>                             |      | 103,055        | 337,939        |
| <b>Total assets less current liabilities</b>          |      | 470,929        | 714,329        |
| <b>Net assets excluding pension liability</b>         |      | 470,929        | 714,329        |
| <b>Defined benefit pension liability</b>              | 21   | (51,197)       | (57,636)       |
| <b>Net assets</b>                                     |      | 419,732        | 656,693        |
| <b>Charity Funds</b>                                  |      |                |                |
| Endowment funds                                       | 19   |                |                |
| Restricted funds                                      | 18   | 4,588          | 4,588          |
| Unrestricted funds                                    | 18   | 43,160         | 45,468         |
|   |      | 371,984        | 606,637        |
| <b>Total charity funds</b>                            | 20   | <b>419,732</b> | <b>656,693</b> |

The financial statements were approved and authorised for issue by the Board on 25th October 2018. Signed on behalf of the board of trustees



**Caroline Schwaller, Trustee**

The notes on pages 25 to 44 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 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) issued on 16 July 2014, 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 as it applies from 1 January 2015.

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 is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors 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 is 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 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 are stated 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 2017

|   | 2017                    |                       |                      | Total<br>£ |
|---|-------------------------|-----------------------|----------------------|------------|
|   | Unrestricted<br>funds £ | Restricted<br>funds £ | Endowment<br>funds £ |            |
| <b>Income and endowments from:</b>                  |                         |                       |                      | 395,185    |
| Charitable activities                               | 148,565                 | 246,620               | -                    | 17,533     |
| Investments   | 17,533                  | -                     | -                    |            |
|   |                         |                       |                      | 412,718    |
| <b>Total income and endowments</b>                  | 166,098                 | 246,620               | -                    |            |
| <b>Expenditure on:</b>                              |                         |                       |                      | (4,975)    |
| Raising funds                                       | (4,975)                 | -                     | -                    | (559,810)  |
| Charitable activities                               | (303,990)               | (255,820)             | -                    |            |
|   |                         |                       |                      | (564,785)  |
| <b>Total expenditure</b>                            | (308,965)               | (255,820)             | -                    |            |
|   |                         |                       |                      | 82,326     |
| Net (losses) / gains on investments                 | 82,326                  | -                     | -                    | (69,741)   |
| <b>Net expenditure</b>                              | (60,541)                | (9,200)               | -                    |            |
| <b>Other recognised gains / losses:</b>             |                         |                       |                      | (2,984)    |
| Re-measurement loss on defined benefit pension plan | (2,984)                 | -                     | -                    |            |
|   |                         |                       |                      | (72,725)   |
| <b>Net movement in funds</b>                        | (63,525)                | (9,200)               | -                    |            |
| <b>Reconciliation of funds:</b>                     |                         |                       |                      | 729,418    |
| Total funds brought forward                         | 670,162                 | 54,668                | 4,588                |            |
|   |                         |                       |                      | 656,693    |
| <b>Total funds carried forward</b>                  | 606,637                 | 45,468                | 4,588                |            |

## 3. Income from charitable activities

|                                    | Unrestricted<br>£ | Restricted<br>£ | 2018<br>£      | 2017<br>£      |
|------------------------------------|-------------------|-----------------|----------------|----------------|
| Membership fees                    | 52,778            | -               | 52,778         | 53,785         |
| Representing members to government | -                 | 3,000           | 3,000          | 44,312         |
| Learning and development           | 5,277             | 15,000          | 20,277         | 53,996         |
| Member support                     | 30,496            | 12,000          | 42,496         | 135,782        |
| Policy and research                | 18,090            | 33,580          | 51,670         | 10,000         |
| Advice, information and comms      | 440               | 7,275           | 7,715          | 97,310         |
| Consultancy                        | 1,715             | 12,000          | 13,715         | -              |
|                                    | <b>108,796</b>    | <b>82,855</b>   | <b>191,651</b> | <b>395,185</b> |

### Grant and project income

| Restricted  | 2018<br>£      | 2017<br>£      |
|---|----------------|----------------|
| Health and Wellbeing Alliance special projects    | 6,375          | 29,900         |
| Health and Wellbeing Alliance                     | 60,000         | 181,000        |
| Coalition for Collaborative Care                  | 3,900          | 3,000          |
| NHSE- Realising the Value                         | -              | 14,025         |
| PHB   | 12,580         | 18,695         |
| <b>Total restricted</b>                           | <b>82,855</b>  | <b>246,620</b> |
| Total grants and project income                   | 82,855         | 246,620        |
| Membership fees and charitable purpose contracts  | 108,796        | 148,565        |
| <b>Total resources from charitable activities</b> | <b>191,651</b> | <b>395,185</b> |

## 4. Income from investments

|           | 2018<br>£    | 2017<br>£     |
|-----------|--------------|---------------|
| Dividends | 9,249        | 17,074        |
| Interest  | 261          | 459           |
|           | <b>9,510</b> | <b>17,533</b> |



## 5. Investment management costs

|                         | 2018<br>£    | 2017<br>£    |
|-------------------------|--------------|--------------|
| Investment manager fees | 2,960        | 4,975        |
|                         | <b>2,960</b> | <b>4,975</b> |

## 6. Analysis of expenditure on charitable activities

|                                    | Activities<br>undertaken<br>directly<br>£ | Support<br>costs<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|------------------------------------|---|-----------------------|--------------------|--------------------|
| Representing members to government | 30,222                                    | 18,025                | 48,247             | 54,727             |
| Membership                         | 43,757                                    | 29,675                | 73,432             | 18,034             |
| Learning and development           | 32,459                                    | 11,948                | 44,407             | 134,830            |
| Member support                     | 39,677                                    | 33,350                | 73,027             | 153,509            |
| Policy and research                | 37,152                                    | 27,143                | 64,295             | 37,501             |
| Advice, information and comms      | 43,422                                    | 29,018                | 72,440             | 122,253            |
| Consultancy                        | 42,976                                    | 10,241                | 53,217             | 38,956             |
|                                    | <b>269,665</b>                            | <b>159,400</b>        | <b>429,065</b>     | <b>559,810</b>     |

## 7. Support costs

Support costs totalling £159,400 have been allocated across the activities of the charity based on time spent by staff supporting the activities.

|                        | Basis of<br>allocation<br>£ | 2018<br>£      | 2017<br>£     |
|------------------------|-----------------------------|----------------|---------------|
| Governance             | Time spent                  | 28,279         | 20,047        |
| Strategic              | Time spent                  | 83,415         | 10,030        |
| Premises               | Time spent                  | 16,898         | 18,231        |
| Operations             | Time spent                  | 3,659          | 3,407         |
| Information technology | Time spent                  | 25,363         | 11,792        |
| Finance                | Time spent                  | 744            | 919           |
| Professional           | Time spent                  | 1,042          | 767           |
| <b>Total</b>           |                             | <b>159,400</b> | <b>65,193</b> |

## 8. Governance costs

|                           | 2018<br>£     | 2017<br>£     |
|---------------------------|---------------|---------------|
| Independent examiners fee | 4,850         | 5,700         |
| Trustee board expenses    | 6,729         | 3,008         |
| Support costs             | 16,700        | 11,339        |
|                           | <b>28,279</b> | <b>20,047</b> |

## 9. Net income for the year

| Net income is stated after charging:  | 2018<br>£ | 2017<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | -         | 2,275     |
| Operating lease rentals               | 355       | 15,470    |

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

The trustees neither received nor waived any remuneration during the year (2017: £nil).

The reimbursement of trustees expenses was as follows:

|                        | 2018<br>Number | 2017<br>Number | 2018<br>£    | 2017<br>£    |
|------------------------|----------------|----------------|--------------|--------------|
| Travel and subsistence | 11             | 11             | 4,510        | 2,861        |
|                        | <b>11</b>      | <b>11</b>      | <b>4,510</b> | <b>2,861</b> |

## 11. Staff costs and employee benefits

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

|                       | 2018<br>Number | 2018<br>FTE | 2017<br>Number | 2017<br>FTE |
|-----------------------|----------------|-------------|----------------|-------------|
| Charitable activities | 7              | 5           | 8              | 7.5         |
|                       | <b>7</b>       | <b>5</b>    | <b>8</b>       | <b>7.5</b>  |

The total staff costs and employees benefits was as follows:

|                     | 2018<br>£      | 2017<br>£      |
|---------------------|----------------|----------------|
| Wages and salaries  | 219,300        | 287,059        |
| Social security     | 20,715         | 28,030         |
| Other pension costs | 23,005         | 20,611         |
| Recruitment costs   | 19,742         | 2,189          |
|                     | <b>282,762</b> | <b>337,889</b> |

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 Officers and the Director of Operations.

The total amount of employee benefits received by key management personnel is £116,103 (2017: £134,264).

Total redundancy payments amount to £ 36,200.

## 12. Tangible fixed assets

| Cost or valuation:     | IT<br>equipment<br>£ | Office<br>furniture<br>and fittings<br>£ | Total<br>£ |
|------------------------|----------------------|--|------------|
| At 1 April 2017        | 101,996              | 106,818                                  | 208,814    |
| Additions              | -                    | -  | -          |
| Disposals              | -                    | -  | -          |
| At 31 March 2018       | 101,996              | 106,818                                  | 208,814    |
| <b>Depreciation:</b>   |                      |  |            |
| At 1 April 2017        | 101,996              | 106,818                                  | 208,814    |
| Charge for the year    |                      |  |            |
| At 31 March 2018       | 101,996              | 106,818                                  | 208,814    |
| <b>Net book value:</b> |                      |  |            |
| At 31 March 2018       | -                    | -  | -          |
| At 31 March 2017       | -                    | -  | -          |

### 13. Fixed asset investments

|  | Listed<br>investments<br>£ | Total<br>£        |
|--|----------------------------|-------------------|
| <b>Cost or valuation</b>                     | 376,390                    | 376,390           |
| At 1 April 2017                              | 39,691                     | 39,691            |
| Additions                                    | (41,405)                   | (41,405)          |
| Disposals - proceeds                         | 5,645                      | 5,645             |
| Gain on disposals                            | (12,447)                   | (12,447)          |
| Revaluation                                  |                            |                   |
| At 31 March 2018                             | 367,874                    | 367,874           |
| <b>Carrying amount:</b>                      |                            |                   |
| At 31 March 2018                             | 367,874                    | 367,874           |
| At 31 March 2017                             | 376,390                    | 376,390           |
|  |                            | <b>2018<br/>£</b> |
| <b>Investments at fair value compromise:</b> |                            | 41,704            |
| UK fixed interest                            |                            | 107,724           |
| Overseas fixed interest                      |                            | 69,251            |
| UK Equities                                  |                            | 22,501            |
| European Equities                            |                            | 33,153            |
| North American Equities                      |                            | 11,638            |
| Japanese Equities                            |                            | 7,750             |
| Far East & Australian Equities               |                            | 6,656             |
| Emerging Economies                           |                            | 31,470            |
| Property                                     |                            | 36,027            |
| Alternate assets                             |                            | -                 |
|  |                            | <b>367,874</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

|                                | 2018<br>£     | 2017<br>£      |
|--------------------------------|---------------|----------------|
| Trade debtors                  |               |                |
| Prepayments and accrued income | 14,830        | 96,537         |
|                                | 3,893         | 10,399         |
|                                | <b>18,723</b> | <b>106,936</b> |

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

|                               | 2018<br>£      | 2017<br>£      |
|-------------------------------|----------------|----------------|
| Trade creditors               |                |                |
| Other tax and social security | 12,990         | 10,994         |
| Accruals and deferred income  | 375            | 8,776          |
|                               | 89,414         | 135,990        |
|                               | <b>102,779</b> | <b>155,760</b> |

### 16. Leases

#### a) Operating leases - lessee

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

|  | 2018<br>£    | 2017<br>£    |
|--|--------------|--------------|
| Not later than one year                      |              |              |
| Later than one and not later than five years | 355          | 355          |
| Later than five years                        | 1,153        | 1,507        |
|  | -            | -            |
|  | <b>1,508</b> | <b>1,862</b> |

| <b>17. Deferred income</b> |                   |
|----------------------------|-------------------|
|                            | <b>2017<br/>£</b> |
|                            | 92,945            |
| At 1 April 2017            | 48,125            |
| Additions during the year  | (87,364)          |
| Amounts released to income |                   |
|                            | <b>53,706</b>     |
| <hr/>                      |                   |
| At 31 March 2018           |                   |

*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

|                          | <b>Balance at<br/>1 April<br/>2017<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b> | <b>Gains /<br/>(losses)<br/>£</b> | <b>Balance at<br/>31 March<br/>2018<br/>£</b> |
|--------------------------|--|---------------------|--------------------------|------------------------|-----------------------------------|---|
| Unrestricted             | 206,637                                      | 118,306             | (169,148)                | -                      | (6,097)                           | 149,698                                       |
| <b>Designated Funds:</b> |  |                     |                          |                        |                                   |   |
| Underwriting fund        | 300,000                                      | -                   | (100,000)                | -                      | -                                 | 200,000                                       |
| Development/Redundancy   | 100,000                                      | -                   | (77,714)                 | -                      | -                                 | 22,286  |
|                          | <b>606,637</b>                               | <b>118,306</b>      | <b>(346,862)</b>         | <b>-</b>               | <b>(6,097)</b>                    | <b>371,984</b>                                |

#### **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 of £44,000 and £56,000 for development from reserves.*

| <b>Restricted funds</b>             | <b>Balance at<br/>1 April<br/>2017<br/>£</b> | <b>Movement in resources</b> |                       | <b>Balance at<br/>31 March<br/>2018<br/>£</b> |
|-------------------------------------|--|------------------------------|-----------------------|---|
|                                     |  | <b>Incoming<br/>£</b>        | <b>Outgoing<br/>£</b> |   |
| Health and Wellbeing Alliance       | -  | 60,000                       | (60,000)              | -   |
| Coalition for collaborative care    | 2,805  | 3,900                        | (6,705)               | -   |
| Member support and development fund | 17,055                                       | 18,955                       | (18,458)              | 17,552  |
| 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  |
|                                     | <b>45,468</b>                                | <b>82,855</b>                | <b>(85,163)</b>       | <b>43,160</b>                                 |

#### **Health & Wellbeing Alliance**

National Association for Voluntary and Community Action is a member of the VCSE Health & Wellbeing Alliance. The HW Alliance 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.

#### **Coalition for Collaborative Care**

This is a health initiative aimed at providing support to people living with a long term condition to manage their care and support by ensuring people have the right support, knowledge, skills, power and confidence to live the lives they want.

#### **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.

#### **SFC**

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.

#### **Campaigning and advocacy**

Delivering training workshops for local campaigners.

#### **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 the Big Lottery funded project. This was to work with NCVO on development of a legacy for the project.

## 19. Endowment fund

The Sir John Wrigley Bequest was made in 1978 to the National Council for Social Services and subsequently devolved to National Association for Voluntary and Community Action. 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<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>funds<br>£ | Total<br>£     |
|------------------------------------|----------------------------|--------------------------|-------------------------|----------------|
| Investments                        | 367,874                    | -                        | -                       | 367,874        |
| Cash and current investments       | 139,363                    | 43,610                   | 4,588                   | 187,111        |
| Other current assets / liabilities | (84,056)                   | -                        | -                       | (84,056)       |
| Pensions provision                 | (51,197)                   | -                        | -                       | (51,197)       |
| <b>Total</b>                       | <b>371,984</b>             | <b>43,160</b>            | <b>4,588</b>            | <b>419,732</b> |

## 21. Pensions and other post-retirement benefits

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 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 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. 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)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

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.

|                                   |                      |                      |                      |
|-----------------------------------|----------------------|----------------------|----------------------|
| <b>Present value of provision</b> | <b>31 March 2018</b> | <b>31 March 2017</b> | <b>31 March 2016</b> |
|                                   | <b>(£)</b>           | <b>(£)</b>           | <b>(£)</b>           |
|                                   | <b>51,197</b>        | <b>57,636</b>        | <b>60,871</b>        |

|  |                                    |                                    |
|--|------------------------------------|------------------------------------|
| <b>Reconciliation of opening and closing provisions</b>  | <b>Period Ending 31 March 2018</b> | <b>Period Ending 31 March 2017</b> |
|  | <b>(£)</b>                         | <b>(£)</b>                         |
| Provision at start of period                             | 57,636                             | 60,871                             |
| Unwinding of the discount factor (interest expense)      | 714                                | 1,191                              |
| Deficit contribution paid                                | (6,405)                            | (6,219)                            |
| Remeasurements - impact of any change in assumptions     | (748)                              | 1,793                              |
| Remeasurements - amendments to the contribution schedule | -                                  | -                                  |
| Provision at end of period                               | <b>51,197</b>                      | <b>57,636</b>                      |

|  |                                    |                                    |
|--|------------------------------------|------------------------------------|
| <b>Income and expenditure impact</b>                     | <b>Period Ending 31 March 2018</b> | <b>Period Ending 31 March 2017</b> |
|  | <b>(£)</b>                         | <b>(£)</b>                         |
| Interest expense   | 714                                | 1,191                              |
| Remeasurements – impact of any change in assumptions     | (748)                              | 1,793                              |
| Remeasurements – amendments to the contribution schedule | -                                  | -                                  |

|                    |                      |                      |                      |
|--------------------|----------------------|----------------------|----------------------|
| <b>Assumptions</b> | <b>31 March 2018</b> | <b>31 March 2017</b> | <b>31 March 2016</b> |
|                    | <b>% per annum</b>   | <b>% per annum</b>   | <b>% per annum</b>   |
| Rate of discount   | 1.71                 | 1.32                 | 2.07                 |

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 National Association for Voluntary and Community Action trustees are employees of National Association for Voluntary and Community Action members. National Association for Voluntary and Community Action sells services to, and buys services from its members on the same terms as any other party. During the year no services were purchased from members that were connected to NAVCA trustees, but services were sold to these members as follows (these figures exclude membership fees):

| <b>Trustee</b>   | <b>Related organisation</b> | <b>Value of goods sold to members that are connected to trustees.</b> | <b>Description of goods</b> |
|------------------|-----------------------------|---|-----------------------------|
|                  |                             | <b>£</b>  |                             |
| Carole Phillips  | VANL                        | 897   | HR services and events      |
| Will Lindsay     | HVOSS                       | 1,231   | HR services and events      |
| Wendy Stephenson | Voscur                      | 2,419   | HR services and events      |

During the year expenses of £619 (2017: £600) were incurred in respect of services provided by the spouse of a trustee, Soo Nevison. The charity's normal procurement procedures were followed.

**23. Financial instruments**

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

| <b>Financial assets</b>                                | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--|-------------------|-------------------|
| <b>Measured at fair value through net expenditure:</b> |                   |                   |
| Fixed asset listed investments (note 13)               | 367,874           | 376,390           |
|  | <b>367,874</b>    | <b>376,390</b>    |
| <b>Debt instruments measured at amortised cost:</b>    |                   |                   |
| Trade debtors (note 14)                                | 14,830            | 96,537            |
| Other debtors (note 14)                                | 3,893             | 10,399            |
|  | <b>18,723</b>     | <b>106,936</b>    |
| <b>Measured at amortised cost:</b>                     |                   |                   |
| Trade creditors (note 15)                              | 12,990            | 10,994            |
| Other creditors (note 15)                              | 89,789            | 144,766           |
|  | <b>102,779</b>    | <b>155,760</b>    |

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

| <b>Income and expense</b>  | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--|-------------------|-------------------|
| <i>Financial assets measured at fair value through net expenditure</i> |                   |                   |
| Dividends Received (note 4)  | 9,249             | 17,074            |
| Net (losses)/gains on investment (note 13)                             | (12,447)          | (31,370)          |





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