

Annual Report
and Accounts
2012/13

123

National Council for Voluntary Organisations

Report and financial statements for the year ended 31 March 2013

Company number: 198344
Charity number: 225922

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Reference and administrative details of the charity, its trustees and advisers

Patron

Her Majesty the Queen

President

Baroness Grey-Thompson DBE

Appointed 8 November 2012

NCVO Trustee Board

Honorary officers

Chair

Martyn Lewis CBE

Vice Chair

Jo Ash

Honorary Treasurer

Bruce Gordon
Honorary Treasurer (out-going): Helen Simmons

Elected 8 November 2012
Stood down 8 November 2012

Trustees

Dame Julia Cleverdon
Margaret Coleman
Jamie Dear
Ciarán Devane
Dominic Fox
Fazilet Hadi
Matt Hyde
Richard Leaman CE OBE
Julian Mason
Jonathan Moore
Chris Wade
Tessa Willow

Stood down 8 November 2012
Elected 8 November 2012

Appointed 29 May 2012

Elected 8 November 2012

Appointed 1 January 2013
Appointed 1 January 2013

HR and remuneration committee

Chair

Martyn Lewis CBE (trustee)

Trustees

Julian Mason

Independents

Wendy Blake Ranken
Ann Cummins

Audit and risk committee

Chair

David Locke (independent)

Trustees

Jo Ash
Margaret Coleman
Bruce Gordon
Helen Simmons

Elected 8 November 2012
Stood down 8 November 2012

Independents

Anna Bennett
Pesh Framjee
Peter Heap

Appointed 29 May 2012

Nominations committee

Chair

Martyn Lewis CBE (trustee)

Trustees

Jo Ash
Dominic Fox
Bruce Gordon
Julian Mason
Jonathan Moore
Helen Simmons

Resigned 14 March 2013
Elected 8 November 2012
Appointed 14 March 2013

Stood down 8 November 2012

Independents

Erica De'Ath
Lynne Regan
Jane Slowey

Appointed 1 January 2013

Chief Executive

Sir Stuart Etherington

Company Secretary

Sarah Welsh

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NCVO Members' Assembly

Electoral college

Business and professional associations, unions
 Business and professional associations, unions
 Culture and recreation
 Culture and recreation
 Economic development and housing
 Economic development and housing
 Education, employment and training, research
 Education, employment and training, research
 Environment and animal welfare
 Environment and animal welfare
 Equality of opportunity, law and advocacy
 Health
 Health
 Religion
 Religion
 Resource and umbrella organisations
 Resource and umbrella organisations
 Social services
 Social services
 East Midlands
 East Midlands
 Eastern
 Eastern
 London
 London
 North-east
 North-east
 North-west
 North-west
 South-east
 South-east
 South-west
 South-west
 West Midlands
 West Midlands
 Yorkshire and Humberside
 Yorkshire and Humberside

Name

Kevin Jackson
 Rekha Wadhvani
 Sydney Thornbury
 Robin Simpson
 Heather Petch OBE
 Lesley Wolfenden
 Emma Cox
 Catherine McGrath
 Anne Robinson
 Emma Hallet
 Nimrod Ben-Cnaan
 Lindsay Hayes
 Karen Bollan
 Elaine Chalmers-Brown
 Eugene Dugan
 Caron Bradshaw
 Sally Whitaker
 Elaine Smethurst
 Jamie Ward Smith
 Esther Jones
 Jenny Hand
 Kate Belinis
 Heather Farley
 Tim Wilson
 Ruth Mordi
 Lisa Gardiner
 Sally Young
 Penelope Fell
 Richard Caulfield
 Carol Dunnett
 Caroline Shaw
 Tarn Lamb
 Marcia Lewinson
 Doreen Osbourne-Lamont
 Eddie Street
 Shazia Shah

Appointed

8 November 2012
 10 November 2011
 10 November 2011
 26 November 2008
 26 November 2008
 10 November 2011
 18 February 2009
 18 February 2009
 26 November 2008
 8 November 2012
 8 November 2012
 18 February 2009
 26 November 2008
 8 November 2012
 8 November 2012
 24 November 2010
 18 February 2009
 8 November 2012
 8 November 2012
 18 February 2009
 18 February 2009
 18 February 2009
 10 November 2011
 26 November 2008
 10 November 2011
 10 November 2011
 18 February 2009
 8 November 2012
 8 November 2012
 24 November 2010
 24 November 2010
 18 February 2009
 26 November 2008
 8 November 2012
 8 November 2012

Appointed member organisations

Inter Faith Network for the United Kingdom
 Sport and Recreation Alliance (formerly Central Council of Physical Recreation)
 National Housing Federation
 Voice4change – England
 Co-operatives UK
 Local Government Improvement & Development
 Universities UK
 Unite the Union

Auditors

BDO (UK) LLP

Bankers

Barclays Bank Plc

Investment managers

Sarasin and Partners LLP

Registered office and operational address

Society Building, 8 All Saints Street, London N1 9RL

Registered charity no. 225922

Company registration no. 198344

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From the chair

Welcome to NCVO's annual report and accounts for 2012/13. I believe the year was a successful one for us. I am proud of the impact we had, making a real difference for our members. I was particularly pleased that we successfully joined forces with Volunteering England, in a merger process that went with hardly a hitch. NCVO has become, and will continue to be, a powerful advocate for volunteers and volunteering.

Following the merger, and in anticipation of the end of our strategic grant funding, we restructured NCVO. Among other changes, we created a department of volunteering and development to lead our work on quality standards in volunteering, and our relationships with volunteering organisations and infrastructure bodies. Sadly, in the process we had to part company with a number of valuable and experienced colleagues.

Our merger took us close to 10,000 members, and since then our membership has continued to grow, taking us to over 10,500. That more than 9 out of 10 members chose to renew their membership this year is a testament to the quality of support that NCVO provides, and the importance that so many of us in the voluntary sector place on being part of something bigger and working together for change.

Our advocacy this year has had a powerful influence. Our Give It Back, George campaign resulted in a U-turn from the Chancellor over his plan to limit tax relief on charitable donations. Through the work of NCVO and our partners on issues including this and small donations Gift Aid, the sector has benefited to the tune of tens, perhaps hundreds, of millions of pounds. You can read more about NCVO's work during the year on the pages that follow, in the 'Achievements and performance' section.

Given our special position in society, it behoves us all in the voluntary sector to spend our money wisely and to show what good we are doing. NCVO has played a key role this year in the Inspiring Impact coalition, helping charities understand the best ways to do just this.

The new Social Value Act, alongside the open public services agenda, will give the sector more and more opportunities to demonstrate the added value it brings. We have worked hard this year championing the sector's expertise and potential in employment and rehabilitation. We also lobbied to make sure charities get a say in how European structural funds are spent locally.

Further afield, we started work on our Building Bridges project to strengthen civil society in Egypt, Libya and Tunisia.

I've been endlessly inspired this year by the work our members do every day. In January we welcomed our 10,000th member, the Foxtan Centre in Preston, a youth work and homelessness charity. They are an exemplar of the added value our sector brings, going far beyond the call of duty to do the very best for the community they work for, involving service users and building skills through volunteering.

I was delighted that Baroness Tanni Grey-Thompson agreed to become our president. She has a formidable reputation in the sporting and volunteering fields, and her commitment to NCVO will be of huge benefit at a time when we are working hard to ensure that part of the legacy of the London 2012 games is a strengthened volunteering culture – not just in sport but across society as a whole. She will be a worthy successor to Lord Hodgson, to whom we owe so much for his thoughtful and innovative work for the voluntary sector.

This year has not been without challenges for NCVO, but we are perhaps now stronger than we have ever been, and I would like to thank NCVO's trustees and staff for their support over the year. Most importantly, I would like to thank our members. We will keep working every day to help you do what you do best.

Martyn Lewis CBE
Chair
12 September 2013

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Structure, governance and management

The trustee board presents its annual report and the audited financial statements for the year ended 31 March 2013.

The legal and administrative information set out on pages 1 to 6 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

NCVO is a charitable company limited by guarantee, founded in 1919 as the National Council of Social Services, incorporated on 30 May 1924 and registered as a charity on 1 January 1964. It was established under a memorandum of association, which defines its objects and powers, and is governed by its articles of association. In addition, there are detailed regulations made under the articles. In November 2010 amended articles were adopted at the annual general meeting of the company, and the memorandum and articles of association have been reformatted so that the key provisions contained in the memorandum are now included as part of the articles.

Full membership of NCVO is open to voluntary organisations that comply with the criteria for membership. In addition there are affiliate categories of membership for public sector and corporate bodies. NCVO's trustee board is responsible for managing the business of NCVO as outlined in the articles of association.

NCVO is governed by a board of 14 trustees, including three honorary officers (chair, vice-chair and treasurer). The chair, treasurer and seven trustees are directly elected from the membership. Additional trustees are co-opted by the board to ensure the right mix of skills and experience. One of the trustees is elected to fill the vice-chair honorary officer position by the board. Trustees serve for a term of three years, with a maximum of two terms to be served.

Two of Volunteering England's former trustees were appointed to the NCVO board, and joined it in an observer capacity in November.

The following committees report to the board:

- a nominations committee, to facilitate diversity in the governance structure, ensure the right mix of skills and experience, and supervise the democratic process
- a HR and remuneration committee, to consider HR policy and related matters

- an audit and risk committee, to provide independent advice and assurance on risk, control and governance matters.

NCVO also has a Members' Assembly, a forum to contribute to the development of, and advise the board on, sector policy issues. The Assembly meets twice a year to debate policy issues of relevance to the sector, and is chaired by the chair of the trustee board. Forty members of the Assembly are selected by NCVO's membership through a system of national thematic and regional electoral colleges. Ten members of the Assembly are elected by the other Assembly members to ensure the skills and experience encompass the breadth of civil society. Members of the Members' Assembly serve for a term of three years, with a maximum of two terms to be served.

On election, each new trustee receives an induction pack including The Good Trustee Guide and a range of key organisational policies and documents. All trustees attend an induction, which includes a presentation on the organisation, the opportunity to meet key staff, and a question and answer session.

All trustees also take part in an annual residential planning event. This provides an opportunity for trustees to spend time with other board members and members of NCVO's senior management team discussing the environment in which the organisation operates, and the organisation's future plans.

The trustee board was supported during the year by a management team and staff of around 100 employees, organised into four departments, as follows.

- Public policy and communications – comprises NCVO's policy, research and foresight activities, together with the communications and information team, partnerships (including the Compact and Public Service Delivery Network) and our international function.
- Enterprise and development – this department comprises the majority of NCVO's advisory, information and education work (both grant funded and consultancy); the business development activities responsible for increasing NCVO's unrestricted earned income in order to support the vision; and the team responsible for membership.
- Volunteering and development – created on 1 January to incorporate staff and functions transferred in from Volunteering England on merger, pending a restructure.
- Planning and resources – includes NCVO's internal support services and is responsible for the organisational planning process and servicing of the governance structure.

The senior management team comprises:

Chief Executive
Sir Stuart Etherington

Director of Public Policy
Karl Wilding

Director of Enterprise and Development
Richard Williams

Director of Volunteering and Development
Dr Justin Davis Smith CBE
(from January 2013)

Director of Planning and Resources
Coral Newton/Sarah Welsh
(job share)

Sarah Welsh is also the company secretary.

Ben Kernighan was deputy chief executive and director of public policy and communications until June 2013, when he left to become chief executive of the National Union of Students.

President
Baroness Tanni Grey-Thompson was elected president of NCVO at the AGM in November 2012. The president acts as an ambassador for NCVO and is elected by the members for a non-renewable term of five years.

Objectives and activities

NCVO champions and strengthens the voluntary sector, with over 10,000 members, from the largest charities to the smallest community organisations. The sector improves the world around it, providing the foundation of a good society and inspiring people to make a positive difference in their communities. Ours is a large, diverse

and collectively powerful sector. For over 90 years, NCVO has brought the voluntary sector's people together: to solve problems, address root causes, and inspire each other.

We work towards the achievement of our vision via the following three strategic aims:

1. The external environment is positively influenced by NCVO on behalf of civil society.
2. Civil society organisations function better because NCVO provides them with information, advice and support.
3. NCVO operates effectively and sustainably.

NCVO operates a three-year strategic planning horizon. Each strategic aim is supported by a number of three-year outcomes, which are, in turn, supported by planned programmes of work. Progress towards the outcomes is reviewed on an ongoing basis within teams throughout the year and regularly at trustee board and senior management team level. Further information on the activities underpinning each of the above aims is given in the 'Achievements and performance' section of this report. NCVO's values underpin all of its work. These are:

- **Independence**
NCVO values the independence of the voluntary and community sector and supports organisations to take their own decisions and actions. NCVO will be a strong and independent voice for the voluntary and community sector.
- **Innovation**
NCVO believes that the voluntary and community sector is innovative in its approach to achieving its goals and we will strive to be creative and original in all our work.

- **Collaboration**
NCVO believes the voluntary and community sector is strongest when it works together and that its future will be shaped through collaborative working, and this will be the key to the way we work.

- **Inclusiveness**
NCVO values the diversity of the voluntary and community sector, and of society, and strives to be inclusive in all aspects of its work.

- **Passion**
NCVO believes voluntary action is built on the passion of individuals and communities to make a positive difference. NCVO will be passionate in its support of the voluntary and community sector.

On 1 January 2013 NCVO merged with Volunteering England

The newly merged organisation adopted the objectives and values of the former Volunteering England alongside NCVO's, while we work towards the creation of a new strategic plan during 2014.

Volunteering England existed to promote volunteering to achieve any charitable purpose for the benefit of the community. It aimed to work across the public, private and voluntary sectors to create a time when everybody is inspired to volunteer and the power of volunteering to enrich lives and communities is fully realised. It aimed to do this by:

- transforming attitudes and behaviours of individuals and institutions so volunteering becomes a natural and easy choice to make
- championing the diversity of volunteering and removing the barriers that limit engagement

- establishing the conditions in which volunteering can flourish by ensuring legislation and regulations support, rather than discourage, volunteering
- creating a better volunteering experience by promoting excellent leadership and a robust infrastructure
- connecting to the millions of volunteers through its membership and articulating their concerns, interests and achievements.

Public benefit statement

The trustees have paid due regard to the Charity Commission guidance on public benefit. The trustees are confident that NCVO's aims and activities educating, campaigning for and promoting the interests of civil society organisations are in accordance with the regulations on public benefit.

Achievements and performance

NCVO had a successful year supporting the voluntary and community sector and enabling its voice to be heard. We experienced growth in membership during the year, with retention rates of over 93%. Volunteering England's 1,800 members became NCVO members on merger, while existing NCVO members are now able to gain access to Volunteering England resources. We ended the year with over 10,000 members.

We made good progress on all of our strategic aims. Throughout the year we continued to provide much needed advice and support in areas crucial to the voluntary and community sector, enhancing NCVO's position as a key influence on the press, opinion formers and politicians at both a national and regional level. The merger with Volunteering England built on existing synergies and enabled us to create a stronger voice than ever for volunteering and the voluntary sector, while giving continuity of support to the volunteering sector.

Driven by a continued reduction in grant funding, we continue to reshape the way we operate in order to best meet the needs of the sector into the future, balancing advocacy with paid and unpaid support and enterprise activity.

The following sections summarise some of our key achievements during 2012/13 against each of NCVO's three strategic aims, as well as key achievements for the activity brought in from Volunteering England.

Aim 1

The external environment is positively influenced by NCVO on behalf of civil society

The work programme is designed to contribute to the following outcomes:

- There is a supportive, diverse and sustainable funding environment.
- There is a proportionate and meaningful regulatory framework, which enables civil society organisations (CSOs) to demonstrate accountability and independence
- Public services are better designed and delivered to take better account of user needs and interests.

- People beyond the sector better understand the role and full value of CSOs in civil society and contribute 'more and better' to their communities.

We started the year in the headlines with the Give It Back, George campaign. Thanks to the backing of over 3,000 organisations and individuals, we jointly led a coalition of charities, philanthropists and others to persuade the coalition government to reverse its decision to cap Gift Aid tax relief, saving the sector an estimated £500m in income from Gift Aid.

We worked with CFG and CAF to influence the Gift Aid Small Donations Scheme Bill to reduce its complexity and make it more accessible. Resulting amendments made to the bill will bring £30m to the sector. Joint lobbying on digital giving and social investment tax relief for the March 2013 budget resulted in changes worth an estimated £480m over five years, with work on digital giving and reforming Gift Aid administration likely to reduce administrative burden on fundraising charities.

NCVO has led much of the debate on charity law during the year. We launched our own review of the Charities Act and used this as a basis for our work on influencing the review carried out by Lord Hodgson. Our recommendations to the Office for Civil Society (OCS) on Lord Hodgson's findings informed government's interim response to his report published in July 2012.

Earlier in the year, we worked with the City of London and Lord Phillips to influence the Treasury review of social investment regulation and the Financial Services Bill. We also influenced the National Audit Office's report for the Public Administration Select Committee on regulating the charity landscape, which relied heavily on NCVO research and policy. The Social Value Act guidance, published by the Cabinet Office, was influenced by NCVO lobbying and includes reference to NCVO's website.

Compact Voice continues to represent the voluntary sector on the Compact. We have met with the new cross-government network of responsible officers for the Compact in all departments. We also published Freedom of Information reports on central and local government spending on the voluntary and community sector, cited as the most comprehensive dataset to date.

We continued to work closely with the Local Government Association on their Procurement Pledge, and worked directly with a number of local authorities through our public services and policy teams.

In October, our Special Interest Group (SIG) for Work Programme subcontractors published its report on perceptions and experiences of the voluntary sector, attracting unprecedented national media coverage.

The summer of 2012 saw the NCVO work shadowing programme expand to take on 1,200 participants from across Whitehall and the voluntary and community sector. The scheme expanded into local government, with Birmingham City Council as the first pilot.

On the European front, we secured a key role on the steering committee for the European Year of Citizens 2013. January saw the launch of the European Year of Citizens 2013, with major conferences in Brussels and London. New guidance to local enterprise partnerships built on NCVO's consultation with the sector to highlight civil society as key stakeholders.

The Sustainable Funding Project team worked with diverse partners, including funders and leading thinkers in the sector, to encourage debate and share learning on funding models and new forms of finance, including social investment.

We launched the Back Britain's Charities campaign with CAF following the findings of our UK Giving research, which suggested that levels of individual donations to charity had fallen. The campaign's goals included simplification of online Gift Aid, which the government is now pursuing.

Our photo competition attracted over 300 entries from members. These will be used as images across the website and in marketing materials to champion the work our members do.

Aim 2

Civil society organisations function better because NCVO provides them with information, advice and support

The work programme is designed to contribute to the following outcomes:

- People in CSOs are assessing and meeting their developmental needs.
- NCVO member and non-member organisations are better run and create more impact.
- More dynamic and integrated sectors and sub-sectors, creating more collective impact more efficiently.

During the year, we continued to provide advice and support on a grant-funded and consultancy basis across the areas of campaigning effectiveness, collaborative working, governance and leadership, strategy and impact, and sustainable funding. Our extended reach into small frontline organisations continues through the Fitter for Purpose grants plus programme in partnership with the Paul Hamlyn Foundation, where the Foundation funds capacity building support instead of, or in addition to, making grants directly to organisations.

We reached over 5,000 people through face-to-face training and events across the income spectrum, including over 1,000 attendees of sustainable funding and public sector delivery events. Our Sustainable Funding Project continued to provide support to voluntary and community organisations. Our funding and finance mailing lists provided 6,000 subscribers with all the latest news, developments and services available from across the voluntary and community sector. We had 170,000 unique visitors to NCVO's funding and finance web pages. The team developed and delivered training in fundraising from grant-making bodies, gifts, trading, social investment, contracts and financial management.

'Most useful was hearing other people's experience of crowdfunding.'

Delegate, Sustainable Funding Conference

'Very positive and inspirational. Feel they're dynamic in their approach.'

Delegate, Sustainable Funding Beacons learning event

Funding Central continued to grow its reach, profile and registrations, and draw maximum benefit and learning from its statistics and stories. We secured an extension to the Funding Central contract with OCS, guaranteeing the service until March 2014. Overall registrations rose by 4,000 per month and stood at 60,000 by March 2013. We continued to add more diverse funding streams to the service despite reductions in available funding due to the recession and public-spending constraints. A survey of Funding Central users showed that 55% had applied for funding, and 33% secured funding they found on the site, totalling £34m. The amounts secured ranged from £100 to £785,000.

'@HACVSFundDev @NCVO @ fundingcentral I use it all the time. It is comprehensive & FREE to use. Great resource for #charities & #SE. Register now!'

Tweet from Harrogate and Area CVS

'Having a one-stop shop for people seeking funding is a huge advantage – I only work part time so having a resource like this is incredibly valuable.'

Feedback from a Funding Central survey

Our most popular NCVO-supported website, KnowHow NonProfit (KHNP), received over 800,000 unique visitors this year. The iKnowHow wiki-publishing project was launched early in the year, with 100% of users during the launch period saying they would use iKnowHow again. StudyZone continues to grow its customer base for affordable and accessible training for organisations with limited resources and budget. During the year, additional courses such as New Manager's Training pack and Effective Writing have been created on StudyZone, based on suggestions left by users.

The Barclays Leadership Programme continued to inspire leadership in voluntary and community sector organisations. The programme was redesigned and delivered by our own NCVO staff. During the year, 123 participants trained across London, Manchester and Birmingham.

'I feel much more confident in my own leadership skills and my approach with my organisation and stakeholders.'

'It will equip me with knowledge and confidence to reflect effectively and come up with new ideas/ visions for my charity.'

'The content is very good and thought provoking.'

Twenty-eight people were trained on the Working for a Charity (WFAC) Foundation Course, and through our partnership with Career Transition Partnership we delivered four week-long bespoke courses to 60 armed service leavers.

NCVO's widening international work saw us embark on a three-year Foreign Office-funded project to build capacity of civil society in North Africa. The Building Bridges project continues to progress, despite turbulent social conditions in participating countries. Key needs assessments were carried out towards the end of the year in Egypt, Libya and Tunisia by local partners ANND and CIVICUS. Each country saw over 30 NGOs participate.

On 1 December, the It's Our Community project transferred from the Big Society Network to NCVO. Developed with funding from the Calouste Gulbenkian Foundation, the project explores approaches to community ownership from across Europe, in particular the UK, France, Portugal and Germany, using best practice from these four countries to develop practical guidance for communities and recommendations for policy makers throughout Europe.

Our work on climate change saw NCVO cement a positive relationship with the Department for Environment, Food and Rural Affairs (Defra) and begin to build initial links with the Environment Agency. Earlier in the year, 36 voluntary and community sector organisations attended climate change workshops. In partnership with sub-sectoral cohorts, we completed five climate change projects over the year. Fifty voluntary and community sector organisations took part, with over 400 staff/ volunteers and 600 service users involved.

Early 2012 saw our consultancy work supporting the NESTA neighbourhood challenge come to an end. This gave way to the launch of the Fitter for Purpose grants plus programme in partnership with the Paul Hamlyn Foundation. We worked with a first tranche of nine nominated organisations. A cross-team collaborative approach has been adopted to deliver on this area of work, opening up avenues for delivering support to small voluntary groups. We also worked on a wide range of consultancy projects, engaging with organisations across youth, arts, health, education, environment and local government.

'NCVO really understand our sector and so the "fit" with our requirements is worth paying for, especially for something so fundamentally important as a new strategy.'

'I had undertaken my own evaluation of the campaign prior to commissioning NCVO. The review went further to make clear recommendations which will help with the decision making process.'

One hundred and eighty-one infrastructure organisations were trained on the Value of Infrastructure Programme (VIP), helping them to evidence and communicate the value and impact of what they do. The BLF grant-funded programme ended in May 2012, but VIP online tools will remain available until May 2015.

In the summer, we successfully secured a new contract with the Big Lottery Fund to deliver the BIG Assist programme, supporting voluntary sector local and specialist infrastructure organisations to be more efficient, effective and sustainable. The programme offers a wide range of opportunities, including access to direct support through the award of vouchers, as well as a large peer-to-peer programme. BIG Assist was launched on 5 November, with very positive sector engagement. By the end of March, 721 infrastructure organisations had registered on the BIG Assist website. We approved 152 supplier applications for peer-to-peer programme.

The end of the year saw NCVO win a competitive tender process to deliver a three-year cultural commissioning programme for the Arts Council. This exciting new project will focus on building the capacity of arts organisations and on raising awareness of the role and contribution of voluntary arts groups.

We secured agreement with sector-leading infrastructure organisations to jointly run a new annual conference in June 2013. Billed as Evolve 2013: The annual event for the voluntary sector, the event attracted 700 attendees, with 50 exhibition stands and a range of fringe events.

During the year, 2,048 of our member organisations used our Preferred Suppliers. We worked with the Cabinet Office and Microsoft to ensure that more charities are able to access the substantial discounts that Microsoft offer through their charity pricing.

In January, a youth work and homelessness charity became NCVO's 10,000th member. Staff and a volunteer from The Foxton Centre in Preston were presented with their membership documents at a special event hosted by NCVO's president, Baroness Tanni Grey-Thompson, and chair, Martyn Lewis.

Aim 3

NCVO operates effectively and sustainably

- NCVO enables a more flexible working environment and culture, which staff embrace.
- NCVO plans, communicates and delivers as one organisation.
- NCVO increases its economic, social and environmental sustainability and reduces its costs.
- NCVO people are the best they can be.

The two major achievements during the year were the completion of our building and refurbishment project early in the year, enabling us to introduce new, more flexible ways of working, and the merger with Volunteering England on 1 January 2013.

The addition of an extra floor to the building and refurbishment of existing space was completed during the early part of the year. This created additional rental space for tenants and enabled us to bring the Conference Suite space under one roof. Photovoltaic panels were installed on the roof of the building; these were one factor that contributed to our achievement of silver status in the Carbon Smart Certification scheme.

NCVO staff moved to new open-plan office space in May. Alongside this we upgraded our systems, and all staff were issued with laptops to enable more flexible ways of working, including hot-desking and full remote access to IT systems for staff. Separate wireless internet facilities are now available throughout the building for staff, guests and Conference Suite users.

Later in the year, we started a programme of works to improve the accessibility of the building; these will continue in 2013/14 with funding from City Bridge Trust and NCVO's reserves.

Unfortunately, building works impacted on the Conference Suite, as rooms were taken out of service to facilitate works and the temporary relocation of staff and tenants. The Olympic Games also impacted on bookings during the summer. We are grateful to the longstanding customers who bore with us, limiting the adverse impact on Conference Suite income. 99.5% of those who completed our customer survey said that they would recommend the NCVO Conference Suite to others.

The formal merger between NCVO and Volunteering England took place on 1 January, with all Volunteering England staff, assets and liabilities formally transferred to NCVO on 1 January 2013. Volunteering England members all became members of NCVO.

The agreement for Volunteering England to merge with NCVO was finalised on 11 December, following extensive discussion between both sets of trustees and an extensive round of consultation with members.

Two of Volunteering England's former trustees were appointed to the NCVO board, and joined the board in an observer capacity in November. Justin Davis Smith was appointed as NCVO executive director for volunteering and now heads the new directorate of volunteering and development.

Following due diligence and formal consultations with staff and union representatives, 19 Volunteering England staff joined NCVO on 1 January. The process included transferring data and systems into an integrated IT structure. The Volunteering England branding was updated to include 'part of NCVO', and a new 'about us' section was created on the website. The merger brought 1,800 Volunteering England members, 400 of which were already members of NCVO. In December NCVO extended its threshold for free membership from organisations with an annual income under £10,000 to organisations with an annual income under £30,000. This matched Volunteering England's threshold for free membership and meant that all 1,100 free Volunteering England members also benefitted from free NCVO membership. The change also opens up free NCVO membership to an estimated 28,000 additional sector organisations. Paid Volunteering England members transfer to a corresponding NCVO membership band when their renewal is due.

During February all staff were consulted on a new structure, which aimed to integrate volunteering with NCVO activities, remove duplication and create a structure that would be financially sustainable into 2014/15, beyond the period of the OCS strategic grant. The new structure was implemented in May 2014.

Work began on a new NCVO website to replace the current one, which is highly unstable and costly to keep functioning. Some rationalisation of websites took place, in particular for those websites previously funded through grant programmes. The Get Legal website was transferred to Bates Wells Braithwaite.

During the year, NCVO became a Living Wage Employer, committing to ensure that all of our staff receive at least the London living wage.

Our work on volunteering

Pending the creation of a new strategic plan, NCVO adopted Volunteering England's strategic objectives for this area of its activity:

- Transforming attitudes and behaviours so that volunteering becomes a natural and easy choice.
- Championing the diversity of volunteering and removing the barriers that limit engagement.
- Establishing the conditions for volunteering by ensuring legislation and regulations support rather than discourage volunteering.

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- Creating a better volunteering experience by promoting excellent leadership and a robust infrastructure.
- Connecting to the millions of volunteers through our membership and articulating their concerns, interests and achievements.

This section reports on key achievements that span the merger period.

Following the success of volunteering programmes for the London 2012 Olympics and Paralympics, we maintained national debate about the lessons and the volunteering legacy through discussion at sector-wide forums and events, and press coverage and blogs.

The Where Volunteering Begins campaign launched on YouTube in March, featuring five stories of volunteers, plus highlights film, how they volunteer and what they get from volunteering. The videos received around 4,200 views in March alone.

A joint campaign with national charities resulted in the government's announcement on free Disclosure and Barring Service checks for volunteers. This was part of our campaign to make volunteering safe and easy, and there was extensive press and radio coverage of our welcome for this announcement.

The Supreme Court ruling that volunteers are not covered by employment legislation and European regulations on employment (X v Mid Sussex CAB) was welcomed on grounds that employment legislation would create obstacles to volunteering, and we briefed the Cabinet Office and supported Citizens Advice on implementing this ruling.

During the year, 66 organisations achieved the Investing in Volunteers standard in England, and the completion of a three-year rolling programme of accreditation for the national network of Volunteer Centres saw 243 centres achieving the Volunteer Centre Quality Accreditation standard.

There were 44,000 visitors a month to the website www.volunteering.org.uk, with 435,442 unique visitors and 2,187,250 page views (averaging 182,270 per month).

The year one report of the BLF-funded Volunteering for Stronger Communities Project was published in March 2013.

New funded projects secured since January include a project to enhance volunteering in care homes, funded by the Department of Health, and the NESTA Innovation in Volunteering Centres project.

Financial review

Funds

The balance sheet shows a small reduction in unrestricted funds of £95,000 for the year.

During the year, we invested £1,961,000 in fixed assets, mainly through the completion of the building and occupancy project started the previous year. Of this, £1,220,000 was funded by drawing down the balance of our £2.3m loan facility, with the remaining £741,000 funded from reserves.

£569,000 of cash balances together with £133,000 of debtors and accrued income and £140,000 of creditors and accruals were transferred in from Volunteering England on merger.

Our investments increased by £292,000, including £120,000 of net deposits and £172,000 growth in the underlying value of investments.

The balance sheet shows the value of the building as £3.575m, under the historic cost convention. This is based on the original cost plus the cost of recent building works, less depreciation. However, its market value as at June 2013 was £14 million.

Incoming resources

Total incoming resources of £8,939,000, including funds transferred in from Volunteering England on merger (£542,000). Excluding this, there is an underlying increase in income of 14%.

Voluntary income includes a core grant of £469,000, including £94,000 in respect of Volunteering England, and grant funding for the merger. It also includes donations from CAF amounting to £1,233,000.

£2,150,000 was received from other grants and sponsorship, as outlined in note 2 of the accounts. Of this, £112,000 was restricted, most of which related to capacity-building services.

Membership subscriptions of £836,000 account for around 9% of NCVO's total income.

Advisory services and information increased by £402,000 from £2,209,000 to £2,608,000, and campaigns and communications by £430,000 from £171,000 to £601,000. The former reflects fees for services provision (£628,000) in undertaking the BIG Assist project, whilst the latter includes project income relating to the Arab Partnership project, Building Bridges (£81,000 from the Foreign and Commonwealth Office), Stronger Communities (£208,000 from Big Lottery Fund) and our work on the

European Social Fund (£302,000 from the Department for Work and Pensions).

Unrestricted income from trading activities of £1,837,000 (comprising brokered services, commercial fees, Conference Suite hire and publications) was broadly in line with 2011/12.

Resources expended

Expenditure, totalling £8,280,000 (2012: £7,078,000), shows a similar increase, reflecting the increase in capacity-building activity, including those projects noted above. In addition, the increase in the cost of generating funds reflects an increase in staffing and other running costs for the Conference Suite, including dilapidations on Birchall House, which we relinquished when the Conference Suite was all brought under one roof.

The average number of staff grew from 88 to 100, including the staff transferred in from Volunteering England in the final quarter of the year, with staff costs growing by 12% to £4,833,000.

Contributions to our defined benefit pension scheme amounted to £325,000 per annum, as a result of a 12-year deficit recovery plan agreed with the Pensions Trust. The scheme was closed to future accrual on 31 March 2011.

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Investment policy

NCVO's investment portfolio is managed by Sarasin and Partners. The majority of these funds represent long-term money and the investment objective is to provide long-term capital and income growth. These funds are invested across a range of asset classes, with a strong bias towards 'real' assets such as equities, using Sarasin's Alpha Common Investment Fund for Endowments as the vehicle through which investment policy is implemented. A small element is also invested in the Alpha Common Investment Fund for Income and Reserves.

Sarasin provides real-time online information on performance of the portfolio. In addition they are required to attend a trustee board and an audit and risk committee meeting at least annually to discuss the performance of the portfolio, economic conditions and future requirements.

The NCVO investment portfolio is part of a combined portfolio including the charitable trusts that NCVO administers, which are pooled with each other as permitted by the general power of investment defined within the Trustee Act 2000, and the governing documents of the trusts. Only NCVO investments are reflected in these accounts.

The Alpha Common Investment Fund's Socially Responsible Investment Policy is to avoid investment in companies with more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography. The Fund will not invest in companies manufacturing tobacco-related products. The Fund is active in voting on company resolutions and will engage in direct dialogue with companies when appropriate.

Investment gains during the year amounted to £171,000, or 9% of the value of holdings. This is recorded in the net investment gains and losses section of the SOFA.

NCVO Trading Limited, a wholly owned subsidiary of NCVO, holds a 40% share in CaSE LLP. CaSE LLP is a joint venture with BWB CaSE. It licenses its brand to CaSE Insurance Services Ltd, in return for commission income on tailor-made insurance packages to the voluntary and community sector. NCVO also holds an investment of 33% in Trustees Unlimited LLP, a joint venture between NCVO Trading Limited, Russam GMS and Bates Wells Braithwaite, who each hold a third of the shares. Both CaSE LLP and Trustees Unlimited have been accounted for as joint ventures and consolidated on the SOFA and balance sheet.

Reserves policy

The trustees have set a reserves policy which requires that reserves be maintained at a level which ensures that NCVO's core activity could continue during a period of unforeseen difficulty, and that a proportion of reserves be maintained in a readily realisable form.

The trustees assess the required level of reserves on an annual basis, alongside the operating budget. The assessment takes account of the market valuation of investments, income and expenditure risk within the budget, commitments to repay the loan secured on the building, and the need to keep sufficient bank balances to be able to manage the

day-to-day fluctuations of receipts and payments.

In March 2013 the reserves policy was reviewed, and based on the risk analysis, a readily realisable reserves figure of £1.85m was agreed to be necessary.

At 31 March 2013, NCVO's readily realisable reserves were as follows:

	31 March 2013 £'000	31 March 2012 £'000
Investments	1,952	1,661
Other working capital	(704)	(619)
Bank accounts	899	996
Total readily realisable reserves	2,147	2,038

Grant making policy

Grants to voluntary and community sector organisations are made in accordance with funding and partnership agreements.

Future plans

NCVO anticipates that the coming year will be another challenging one for civil society organisations as public spending cuts continue to bite, and for ourselves following a period of significant change. We will continue to strive to help our members and the sector through these difficult times.

During the year, we will embark on the creation of a new strategic plan for the merged organisation, which ensures that we continue to build on the legacy of both organisations and embed volunteering within the work of the organisation.

We will invest in our customer relationship management system and digital infrastructure in order to support our enterprise strategy and ensure that we can continue to support our members' needs in the most cost-effective way.

Risk management

The trustees review the risks that the charity faces at every board meeting. Risks are considered in five key areas: strategy, governance and management; operational; financial; environmental and external; legal and statutory. All identified risks are assessed for both likelihood of occurrence and potential financial and reputational impact, to give a gross risk. Mitigating controls are then considered, giving a net remaining risk.

The risk-management strategy forms part of the planning process, against which the trustees review progress formally every year. The risk register is reviewed at each meeting of the audit and risk committee, and quarterly by the senior management team.

In addition, the organisations created a joint register of risks that was monitored by both management teams and the joint trustee working group in the period leading up to the merger.

In respect of financial risk, the trustees assess income risk and reserves levels in the context of the annual budget and three-year financial forecast. They believe that maintaining NCVO's readily realisable reserves at the levels stated will provide sufficient resources in the event of unplanned or adverse conditions.

Key risks identified for 2013/14 include the risk that the organisation's earned income fails to meet expectations, and the risk

that the cost of pension provisions exceeds affordability and/or has a significant adverse impact on NCVO's reserves. Trustees were also mindful of the need to secure new income streams to ensure sustainability of the volunteering voice.

The trustees are satisfied that these and all other risks in the register have been adequately assessed and that appropriate steps are being taken to mitigate risk.

Trustee board members

The members of the trustee board, who are also directors under the terms of the Companies Act, are set out on page 2. The members of the trustee board have no beneficial interest in the group or charity.

The board of trustees would like to place on record its thanks to, and appreciation of, the chief executive, his senior management team and the whole of NCVO's staff for the skill and energy with which they have managed and contributed to the organisation throughout the year.

Liability of Members

NCVO the charitable company is limited by guarantee and has no share capital. Clause 7 of the memorandum of association provides that every member, as defined by Clause 2 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up while they are a member or within one year of ceasing to be a member. At the year-end there were 10,298 members (2012: 8,231).

Statement of trustee board's responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PKF (UK) LLP were reappointed as auditors to NCVO at the AGM in November 2012. On 2 April 2013, PKF merged with Accountancy and Business advisory firm BDO LLP. The board accepted the resignation of PKF and appointed BDO as its auditors for 2012/13.

BDO have expressed their willingness to continue as auditors of the group and company. Approved by the trustee board and signed on their behalf.

Martyn Lewis CBE
Chair
12 September 2013

Independent auditor's report to the members of the National Council for Voluntary Organisations

We have audited the financial statements of the National Council for Voluntary Organisations for the year ended 31 March 2013, which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us
- the parent charitable company financial statements are not in agreement with the accounting records and returns
- certain disclosures of trustees' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit.

Karen Thompson
Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 26 September 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Consolidated statement of financial activities for the year ended 31 March 2013

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2013 £'000	Total funds 2012 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	1,705	223	1,928	1,647
Activities for generating funds	4	1,837	-	1,837	1,767
Investment income	5	70	-	70	66
Less share of joint ventures' turnover		(84)	-	(84)	(74)
		3,528	223	3,751	3,406
Incoming resources from charitable activities					
Membership subscriptions	2	836	-	836	961
Projects and sponsorship					
Advisory services and information	2	1,224	1,384	2,608	2,209
Campaigns and communications	2	29	572	601	171
Education and training	2	346	3	349	379
Policy	2	-	-	-	4
Research	2	173	79	252	263
Other incoming resources					
Incoming resources from merger		504	38	542	-
Total incoming resources		6,640	2,299	8,939	7,393
Resources expended					
Cost of generating funds	6	1,215	-	1,215	1,092
Charitable activities					
Costs of activities in furtherance of the charity's objectives					
Advisory services and information		2,125	1,258	3,383	2,799
Campaigns and communications		1,401	750	2,151	1,596
Education and training		333	1	334	577
Policy		175	-	175	227
Research		535	85	620	688
Total charitable activities		4,569	2,094	6,663	5,887

Consolidated statement of financial activities for the year ended 31 March 2013 (continued)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2013 £'000	Total funds 2012 £'000
Governance costs		93	-	93	99
Other resources expended					
Merger and accessibility improvements		128	181	309	-
Total resources expended	6	6,005	2,275	8,280	7,078
Net incoming resources		635	24	659	315
Share of operating profit of joint ventures		28	-	28	12
Net investment gains/(losses)	10	171	-	171	(78)
Actuarial gains/(losses) on defined benefit scheme	21	(929)	-	(929)	(281)
Net movement in funds		(95)	24	(71)	(32)
Funds at 1 April 2012		2,048	191	2,239	2,271
Funds at 31 March 2013		1,953	215	2,168	2,239

All incoming resources and resources expended derive from continuing activities. The statement of financial activities includes all gains and losses recognised in the year. Movements in funds are disclosed in note 17 to the financial statements. The net movement in funds includes £168,000 of unrealised investment gains. Net realised incoming resources for the year were £662,000 (2012: net incoming resources of £318,000).

Summarised results for the parent company are as follows:

	NCVO £'000
Total incoming resources	8,374
Total resources expended	7,516
Net incoming/(outgoing) resources	858

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Group and charity balance sheet for the year ended 31 March 2013

	Notes	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Fixed assets					
Tangible fixed assets	9	5,322	3,642	5,322	3,642
Investments	10	1,952	1,661	1,952	1,661
Goodwill purchased		27	36	-	-
Investment in joint ventures					
Share of gross assets		137	127	-	-
Share of gross liabilities		(15)	(18)	-	-
Net investment in joint ventures		122	109	-	-
		7,423	5,448	7,274	5,303
Current assets					
Stocks	11	49	34	49	34
Debtors	12	1,224	933	1,484	1,672
Cash at bank and in-hand		899	996	628	371
		2,172	1,963	2,161	2,077
Creditors: amounts falling due within one year	13	(1,829)	(1,397)	(1,676)	(1,363)
Net current assets		343	566	485	714
Total assets less current liabilities		7,766	6,014	7,759	6,017
Creditors: amounts falling due after one year	14	(2,262)	(1,107)	(2,262)	(1,107)
Net assets excluding pension liability		5,504	4,907	5,497	4,910
Defined benefit pension scheme liability	21	(3,336)	(2,668)	(3,336)	(2,668)
Net assets		2,168	2,239	2,161	2,242
Funds					
Restricted funds	17	215	191	215	191
Unrestricted funds					
Pension reserve	17	(3,336)	(2,668)	(3,336)	(2,668)
Designated funds	17	3,021	2,561	3,021	2,561

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Group and charity balance sheet for the year ended 31 March 2013 (continued)

	Notes	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
General funds	17	2,268	2,155	2,261	2,158
Total funds	17	2,168	2,239	2,161	2,242

The freehold land and property included within tangible fixed assets is presented under the historical cost convention and is shown at original cost with an annual depreciation charge. NCVO has had this property valued to establish its current open market value. It was valued at £14m in June 2013.

Approved and authorised for issue by the trustee board and signed on their behalf on

Martyn Lewis CBE
Chair
12 September 2013

Bruce Gordon
Treasurer
12 September 2013

Group cash flow statement for the year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow	18	758	249
Returns on investments and servicing of finance	19	6	45
Capital expenditure - purchase of tangible fixed assets		(1,961)	(1,563)
- net purchase of investments		(120)	-
Total		(1,317)	(1,269)
Financing - repayment of mortgage		-	(214)
-drawdown of building loan		1,220	1,109
(Decrease)/Increase in cash		(97)	(374)
Reconciliation of movement in net cash funds			
(Decrease)/Increase in cash		(97)	(374)
Cash used to repay loans/Drawdown		(1,220)	(895)
Change in net cash funds	20	(1,317)	(1,269)
Net cash funds at 1 April 2012	20	(113)	1,156
Net cash funds at 31 March 2013	20	(1,430)	(113)

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1 Accounting policies

The financial statements are prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) published in March 2005, and applicable accounting standards and the Companies Act 2006.

a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments.

b) Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. The value placed on resources included in the statement of financial activities is the value to the charity of the service or goods received.

Grants are credited to the statement of financial activities when received or receivable, whichever is earlier, unless they relate to a specific future period, in which case they are deferred.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions, the incoming resource is deferred.

Legacies are included when the charity is advised by the personal representatives that payment will be made or property transferred and the amount involved can be quantified unless there are specific conditions preventing receipt, such as life tenancy. At the year-end, NCVO was aware of one such legacy property. The property was valued at £297,460 (£297,263 in 2012) by Barclays Bank Trust Company Limited.

Income from sales is included in the statement of financial activities in the year in which the goods or service is supplied.

Membership income is recognised in the year to which it relates.

c) Allocation of costs

The costs of projects and activities are allocated between the headings to which they contribute. This is a judgement based on the objectives and related outcomes of the projects.

d) Expenditure

i) Costs of generating funds

Costs of generating funds includes fundraising expenditure in relation to staff members who are directly engaged in fundraising, business development, the Conference Suite and the related costs of the fundraising team.

ii) Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity.

iii) Governance costs

These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

iv) Project overhead allocations

NCVO uses a full cost recovery model to allocate overhead costs to projects. Costs relating to support services are identified and a proportion allocated to the projects that NCVO undertakes.

The allocation of each type of cost is made on a time, staff number or area basis depending on what is most relevant.

e) Grant making

Costs of grant making are included in the statement of financial activities in the year they are payable. Costs include grants made and support costs associated with the activity.

Multi-year grant commitments are conditional on progress reviews to determine whether future funding is provided and discretion is retained by the charity to terminate the grant. Where multi-year grant commitments exist, only expenditure relating to the current year's liability will be recognised.

f) Rentals

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

g) Fund accounting

The charity maintains the following funds:

i) Restricted funds

Restricted funds represent grants, donations and legacies received that the donor allocates for specific purposes.

ii) General unrestricted funds

These represent funds that are expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

iii) Designated funds

These represent unrestricted funds allocated by trustees for particular purposes.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, which is provided in equal instalments over the estimated useful lives of the assets. Asset under construction is depreciated upon completion of the project.

No depreciation is charged on freehold land. The rates of depreciation applied to other assets are:

Freehold building

50 years

Computer equipment

3 years

Fixtures and fittings

10 years

Plant and equipment

20 years

Capital commitment

Building construction work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

i) Investments

Investments are stated at mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA. Unquoted investments are stated at cost.

j) Goods and services

VAT is charged on all supplies of goods and services that we make within the UK, at the appropriate rate, unless they are specifically either exempt from VAT or outside the scope of UK VAT.

k) Operating leases expenditure

We recognise the gross rentals paid as lease rental expenses. Rentals are charged to the profit and loss account, over the term of the lease.

l) Goodwill

Goodwill is capitalised and amortised over five years. The entire goodwill amount relates to CaSE, which became a joint venture on 31 March 2011.

m) Joint venture

Assets and liabilities at the balance sheet date of jointly owned organisations are consolidated into our accounts based on our shares and the importance or significance of the financial transactions.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for marketing, selling and distribution costs. Provision is made where necessary for obsolete, slow-moving and defective stocks.

o) Pension scheme

The charity operates two pension schemes.

Assets of the defined contribution scheme are held separately from the charity in an independent fund administered by Friends Provident Pensions Limited. The pension cost charge represents the contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

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For the defined benefit scheme, the statement of financial activities (SOFA) is charged with the cost of providing pension benefits earned by employees in the period. The expected return on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in the other gains and losses section of the SOFA.

The accumulated pension scheme deficits are recognised in full and included in the balance sheet.

p) Consolidation

Consolidated financial statements or 'group accounts' have been prepared in respect of NCVO and its wholly owned subsidiary NCVO Trading Limited. The results of the subsidiary have been consolidated on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements.

In accordance with section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005, a separate statement of financial activities for the charity has not been presented.

2 Incoming resources from charitable activities

	Membership subscriptions, conference delegate fees and charitable purpose contracts	Unrestricted grants and sponsorships	Restricted grants and sponsorships	Total 2013	Total 2012
	2013	2013	2013	2013	2012
	£'000	£'000	£'000	£'000	£'000
Membership subscriptions	836	-	-	836	961
Advisory services and information	1,182	42	1,384	2,608	2,209
Campaigns and communications	19	10	572	601	171
Education and training	300	46	3	349	379
Policy	-	-	-	-	4
Research	159	14	79	252	263
Total	2,496	112	2,038	4,646	3,987

	Total Funds 2013	Total funds 2012
	£'000	£'000
2 Grant and project income		
Unrestricted		
Co-operative Financial Services – Annual Conference	-	18
Ecclesiastical Insurance Group – KnowHow NonProfit	27	25
Other unrestricted income under £15,000	85	79
Total unrestricted	112	122
Restricted		
Barclays Leadership Programme – Governance and Leadership	64	62
Clothworkers – Governance Forum and Code	14	27
New Philanthropy Capital – Inspiring Impact	21	-
Big Lottery Fund – Sustainable Funding Project	273	310
Voluntary Norfolk – Sustainable Funding Project	13	51
Department for the Environment, Food, and Rural Affairs – Climate Change Unit	15	45
Environment Agency – Climate Change Unit	25	-
City Bridge Trust – Climate Change Unit	49	43
Big Lottery Fund – Value of Infrastructure Programme	71	183
Big Lottery Fund – KnowHow Non Profit	216	63
Nominet – KnowHow NonProfit	-	53
Big Lottery Fund – Compact Advocacy	-	204
Lloyds TSB Foundation for England and Wales – Community Engagement Programme	45	-
Big Lottery Fund – Stronger Communities	206	-
Big Lottery Fund – IVR Stronger Communities	15	-
Dimpleby Cancer Care and Marie Curie Cancer Care – Volunteering and Palliative Care Research	17	-
Big Lottery Fund – Pathways through Participation	-	83
Office for Civil Society – Compact Voice	358	350
Skills Third Sector – Workforce Research	31	46
Charities Aid Foundation – Charitable Giving	11	20
The Secretary of State for the Home Department acting through the Crime Directorate – Arranging PL insurance for Neighbourhood Watch groups in England and Wales	-	98
Calouste Gulbenkian Foundation – It's Our Community	35	-
European Commission – European Network of National Associations	100	90
The Mott Foundation- European Network of National Associations	25	25
Department for Work and Pensions – European Social Fund	302	35
Foreign and Commonwealth Office – Arab Partnership: Building Bridges	81	-
Other grants under £15,000	51	71
Total restricted	2,038	1,859
Total grants and project income	2,150	1,981

Restricted funds are provided to cover the running costs of specific projects managed by the charity.

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3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2013 £'000	Total funds 2012 £'000
Core grant	469	-	469	500
Merger and accessibility improvements	-	181	181	-
Donations through Charities Aid Foundation	1,233	-	1,233	1,109
Legacies	-	1	1	2
Other donations and voluntary income	3	41	44	36
	1,705	223	1,928	1,647

4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2013 £'000	Total funds 2012 £'000
Brokered services	345	-	345	348
Fees for services	401	-	401	270
Conference suite hire	944	-	944	995
Publications	63	-	63	80
Share of joint venture turnover	84	-	84	74
	1,837	-	1,837	1,767

5 Investment Income

	Unrestricted funds 2013 £'000	Restricted funds 2013 £'000	Total funds Total 2013 £'000	Total funds Total 2012 £'000
Dividends	70	-	70	63
Bank interest	-	-	-	3
	70	-	70	66

6 Resources expended

	Staff costs £'000	Premises costs £'000	Grant making £'000	Support costs £'000	Other expenses £'000	Total 2013 £'000	Total 2012 £'000
Costs of generating funds	674	182	-	74	285	1,215	1,092
Advisory services and information	1,872	118	181	223	989	3,383	2,799
Campaigns and communications	1,334	92	-	159	566	2,151	1,596
Education	177	11	-	21	125	334	577
Policy	146	10	-	19	-	175	227
Research	414	23	18	44	121	620	688
Merger and accessibility improvements	170	-	-	1	138	309	-
Governance costs	47	-	-	-	46	93	99
Total 2013	4,834	436	199	541	2,270	8,280	7,078
Total 2012	4,296	289	237	518	1,738	-	7,078

Other expenses include commissioning £1,210,000 (2012: £923,000); consumables £328,000 (2012: £309,000) and events £159,000 (2012: £230,000).

Commissioning includes fees on running the helpdesks and websites (for projects and for NCVO), for membership administration and Engage magazine production.

Support costs are made up of the following expenditure:

	2013 £'000	2012 £'000
Rent and other accommodation costs	215	192
Travel costs	36	40
Telephone, printing, postage and stationery	54	55
Equipment and IT costs	84	94
Professional fees and consultancy	140	114
Other overheads	10	23
	539	518

6 Resources expended (continued)

Grants and partnership payments were made to the following organisations during the year:

	Total funds 2013 £'000	Total funds 2012 £'000
Volunteering for Stronger Communities		
2D	17	-
Volunteer Centre Camden	12	-
Oxfordshire Community and Voluntary Action	12	-
Volunteer Bristol	13	-
Tamworth CVS	13	-
Voluntary Action Islington	12	-
Blackburn with Darwen Community and Voluntary Service	14	-
Volunteer Cornwall	14	-
Nottingham Community & Voluntary Service	11	-
Volunteer Centre Sutton	11	-
Exeter CVS	11	-
Volunteer Centre Liverpool	12	-
Voluntary Action Sheffield	13	-
Volunteer Centre Dacorum	4	-
South Lincolnshire Community & Voluntary Service	12	-
	181	-
Volunteering and palliative care research		
Lancaster University	8	-
	8	-
Research Pathways		
Involve	-	25
Volunteering England	-	14
	-	39
Empowering the Voluntary Sector		
NAVCA	-	57
The Public Law Project	-	32
	-	89
Almanac		
Third Sector Research Centre	10	16
	10	16
PL insurance for Neighbourhood Watch groups in England and Wales	-	94
	-	94
Total grants and partnership fees paid	199	238

7 Employees

	2013 £'000	2012 £'000
Wages and salaries	3,774	3,366
Social security	362	340
Pension costs	338	316
Redundancy costs	122	27
Temporary staff and staff training	238	245
	4,834	4,294

The pension costs were split between the defined benefit and defined contribution scheme, £124,000 (2012: £128,000) and £214,000 (2012: £188,000) respectively.

The defined benefit scheme was closed to future accrual on 31 March 2011 and no staff are continuing to accrue benefits in the scheme.

The average number of employees (FTEs) during the year was:

	2013 Number	2012 Number
Generating funds	14	13
Advisory services and information	41	38
Campaigns and communications	30	22
Education and training	4	4
Policy	3	3
Research	8	8
	100	88

Employees earning over £60,000 during the year

	2013 Number	2012 Number
£60,000–£70,000	1	1
£70,000–£80,000	1	1
£80,000–£90,000	1	1
£90,000–£100,000	1	-
£120,000–£130,000	1	1

Two of the above staff in 2013 are members of the defined contribution pension scheme (2012: 3), and none are members of the defined benefit scheme (2012: none). The pension costs for these employees are £15k and nil respectively (2012: £20k and nil respectively).

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8 Net incoming / (outgoing) resources for the year

This is stated after charging:	2013 £'000	2012 £'000
Auditor's remuneration		
- audit fees	22	20
- other	25	15
Depreciation	281	137
Amortisation of goodwill	9	9
Bank charges	11	9
Bank interest		
- on commercial mortgage	-	4
- on building loan	53	8
Trustees' expenses	7	7
Operating lease – Birchall House	153	153

No members of the trustee board received any remuneration during the year. Expenses do not form part of remuneration and are separately disclosed below. Trustees believe that there are adequate systems in place to manage expenses, and that all expenses were incurred in proper pursuit of NCVO's charitable objectives.

In response to the report of the Independent Group on Expenses set up by NCVO and CFDG to gather information and evidence on the disclosure of expenses by registered charities in England and Wales, to report on the findings and make recommendations as appropriate, published in February 2010, NCVO has decided to adopt enhanced voluntary disclosure of trustees' and senior management team expenses.

Travel and subsistence expenses reimbursed to six trustees amounted to £7,338 (2012: £6,501 to seven trustees), including amounts paid directly by NCVO. Travel and subsistence expenses incurred by other Members' Assembly members amounted to £2,761 (2012: £1,117).

Senior management team expenses by director, together with total trustee and Members' Assembly member expenses, are summarised in the following table. These were incurred in accordance with budget and reflect the significant activity during the period, including networking and overseas travel, the latter in particular by the chief executive in relation to establishing the European Network of National Associations (ENNA).

8 Net incoming / (outgoing) resources for the year (continued)

	Subsistence	UK travel	Network	Overseas travel	Other	Total claimed 2013
Directors						
Chief Executive's office	1,096	9,100	6,004	572	862	17,633
Deputy CEO	355	2,075	1,756	955	628	5,770
Director of Planning and resources	-	19	51	-	20	90
Director of Enterprise and Development	457	1,857	2,413	900	32	5,659
Director of Volunteering and Development	109	669	70	1,280	-	2,128
	2,017	13,720	10,294	3,707	1,542	31,280
	512	4,652	1,322	2	14	6,501
Trustees	862	3,791	2,643	-	42	7,338
	-	1,117	-	-	-	1,117
Members' Assembly	85	2,676	-	-	-	2,761

In addition to the above, the Chief Executive incurs expenses relating to his membership of the European Economic and Social Committee, which are reimbursed by the European Union.

9 Tangible fixed assets (group and charity)

	Freehold land and buildings £'000	Plant and equipment £'000	Computer equipment £'000	Fixtures and fittings £'000	Assets under course of construction £'000	Total £'000
Cost						
At 1 April 2012	3,179	-	773	963	1,638	6,553
Additions	501	548	190	722	-	1,961
Disposals	-	-	-	-	-	-
Transfer upon completion	1,219	259	5	155	(1,638)	-
At 31 March 2013	4,899	807	968	1,840	-	8,514
Depreciation						
At 1 April 2012	1,242	-	750	919	-	2,911
Charge for the year	82	20	83	96	-	281
Disposals	-	-	-	-	-	-
At 31 March 2013	1,324	20	833	1,015	-	3,192
Net book value						
At 31 March 2012	1,937	-	23	44	1,638	3,642
At 31 March 2013	3,575	787	135	825	-	5,322

10 Investments (group and charity)

	Cash deposits £'000	Listed £'000	Total £'000
Market value			
At 1 April 2012	100	1,561	1,661
Additions	52	272	324
Disposal proceeds	(152)	(52)	(204)
Realised gains	-	3	3
Unrealised investment gains/(losses)	-	168	168
At 31 March 2013	-	1,952	1,952
Cost			
At beginning of year		1,501	1,501
At end of year		1,721	1,721

10 Investments (group and charity) (continued)

	2013 £'000	2012 £'000
Being at market value		
Investment assets in the United Kingdom	1,040	854
Investment assets outside the United Kingdom	912	807
	1,952	1,661
The following funds have a value of 5% or greater of the total NCVO portfolio		
Alpha CIF for Endowments	1,554	1,351
Alpha CIF for Income and Reserves	388	150
Sterling cash	-	100
Other holdings less than 5%	10	60
Total	1,952	1,661

NCVO Trading Limited holds 40% of the shares in CaSE (Charity and Social Enterprise Insurance Management LLP) and 33% of the shares in Trustees Unlimited LLP. CaSE is a collaborative venture delivering tailor-made insurance packages to the voluntary and community sector. Trustees Unlimited LLP provides a search and selection service in respect of trustees and directors including the provision of advice, training and consultancy on governance and other relevant issues. Both joint ventures' accounting reference date is 31 March.

11 Stocks

	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Publications	47	31	47	31
Stationery	2	3	2	3
	49	34	49	34

12 Debtors

	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Debtors	685	648	489	465
Accrued income	443	205	366	135
Amount due from subsidiary	-	-	534	1,027
Prepayments	96	80	95	45
	1,224	933	1,484	1,672

13 Creditors: amounts falling due within one year

	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Bank loan (secured – see note 14)	87	28	87	28
Taxation and social security	235	153	170	137
Other creditors	173	251	167	243
Accrued expenditure	464	317	448	310
Deferred income	870	648	804	645
	1,829	1,397	1,676	1,363

Deferred income consists of:	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Deferred income	499	355	433	352
Membership subscriptions	371	293	371	293
	870	648	804	645

14 Creditors: amounts falling due after more than one year

	Consolidated 2013 £'000	Consolidated 2012 £'000	NCVO 2013 £'000	NCVO 2012 £'000
Membership deferred over one year	20	26	20	26
Bank loan (secured)	2,242	1,081	2,242	1,081
	2,262	1,107	2,262	1,107
Analysis of loan repayments				
Within one year	87	28	87	28
Between one and two years	117	55	117	55
Between two and five years	349	166	349	166
After five years	1,776	860	1,776	860
Total repayments after more than one year	2,242	1,081	2,242	1,081
Balance at 31 March 2013	2,329	1,109	2,329	1,109

The bank loan funding the original purchase of the freehold property at Society Building, All Saints Street, London N1 9RL, the offices occupied by NCVO, was repaid in full in October 2011. A new loan has been taken out with Barclays Bank to fund the building construction project on the same property. The loan is secured by legal mortgage over the property.

15 Operating leases

NCVO has an operating lease on Birchall House with annual commitments detailed below, and a lease with Océ Finance Limited for multi-functional devices, which provide our photocopying, printing and document scanning facilities.

	Consolidated 2013 £'000	Consolidated 2012 £'000
Birchall House Lease	-	153
Océ Finance Limited	14	12
Total	14	165

Lease commitments by expiry date	Property £'000	Other £'000	Total £'000
Within one year	-	12	12
More than one year	-	2	2
Total	-	14	14

16 Analysis of net group assets

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted £'000	Total funds excluding pension fund £'000	Pension fund £'000	Total £'000
Tangible fixed assets	-	5,322	-	5,322	-	5,322
Investments	1,952 *	-	-	1,952	-	1,952
Net current assets (excluding loan)	316 *	28 *	215	559	-	559
Pension fund	-	-	-	-	(3,336)	(3,336)
Loans	-	(2,329)	-	(2,329)	-	(2,329)
Total	2,268	3,021	215	5,504	(3,336)	2,168

NCVO's readily realisable reserves, as identified by the reserves policy, consist of those identified * (asterisk) above, which total £2.147 million.

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17 Movement in group funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance 1 April 2012 £'000	Income £'000	Expenditure £'000	Transfers £'000	Net gains and losses £'000	Balance 31 Mar 2013 £'000
Designated funds						
Designated funds	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	2,533	-	-	460	-	2,993
Property maintenance	28	-	-	-	-	28
Total designated funds	2,561	-	-	460	-	3,021
General funds	2,155	6,668	(6,005)	(721)	171	2,268
Pension reserves	(2,668)	-	-	261	(929)	(3,336)
Total unrestricted funds	2,048	6,668	(6,005)	-	(758)	1,953

	Balance 1 April 2012 £'000	Income £'000	Expenditure £'000	Transfers £'000	Net gains and losses £'000	Balance 31 Mar 2013 £'000
Restricted funds						
Merger between NCVO and Volunteering England	-	170	(170)	-	-	-
- Office for Civil Society £100k						
- City Bridge Trust £47k						
- Fidelity Foundation £23k						
Sustainable Funding Project: BLF	45	273	(318)	-	-	-
Sustainable Funding Project: Voluntary Norfolk	5	13	(18)	-	-	-
Climate Change Unit	-	89	(81)	-	-	8
KnowHow NonProfit: BLF	-	216	(198)	-	-	18
KnowHow NonProfit: Nominet	20	-	(20)	-	-	-
Value of Infrastructure Programme: BLF	30	71	(101)	-	-	-
Governance and Leadership: Barclays	-	64	(64)	-	-	-
Governance: Code	20	-	(13)	-	-	7

17 Movement in group funds (continued)

	Balance 1 April 2012 £'000	Income £'000	Expenditure £'000	Transfers £'000	Net gains and losses £'000	Balance 31 Mar 2013 £'000
Restricted funds (continued)						
Governance Forum	-	14	(14)	-	-	-
Inspiring Impact Programme: New Philanthropy Capital	-	21	(21)	-	-	-
Compact Voice	5	358	(358)	-	-	5
Compact Advocacy	10	-	(10)	-	-	-
Local Policy Engagement: Lloyds TSB Foundation for England and Wales	-	45	-	-	-	45
Skills Third Sector	-	31	(31)	-	-	-
Charitable Giving research	-	11	(11)	-	-	-
Stronger Communities: BLF	-	208	(200)	-	-	8
Stronger Communities: BLF (IVR)	-	25	(9)	-	-	16
IVR Marie Curie: Marie Curie	-	30	(16)	-	-	14
Innovation in Giving: NESTA	-	8	-	-	-	8
European Commission: ENNA	-	100	(100)	-	-	-
Mott Foundation: ENNA	7	25	(32)	-	-	-
European Social Fund: Department of Work and Pensions	-	302	(302)	-	-	-
Arab Partnership: Building Bridges: Foreign and Commonwealth Office	-	81	(81)	-	-	-
It's Our Community: Calouste Gulbenkian Foundation	-	35	(17)	-	-	18
CSiS Charity Fund: Working for a Charity bursaries	6	5	(5)	-	-	6
Leadership (legacy)	10	-	(1)	-	-	9
Various: Plowden Fellowship	28	36	(14)	-	-	50
Other restricted grants and donations under £20,000	5	68	(70)	-	-	3
Total restricted funds	191	2,299	(2,275)	-	-	215
Total funds	2,239	8,967	(8,280)	-	(758)	2,168

The total income figure of £8,189k includes the actuarial loss of £929k referenced in the SOFA. The total income includes the net investment gain of £171k also referenced in the SOFA.

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Designated funds

NCVO has designated resources to two funds, which are discussed briefly below.

Fixed assets

This fund represents the level of NCVO's reserves invested in fixed assets and is the net tangible fixed assets less loans outstanding (as the loans are used to part finance their acquisitions).

Property maintenance

NCVO has a 10-year maintenance plan. In order to fund this plan over the long term, a separate designated fund has been developed to ensure sufficient resources are available.

Those areas with restricted funds to be carried forward into 2013/14 are briefly described below.

Climate Change Unit: DEFRA

Funding to promote issues about climate change.

KnowHow NonProfit: BLF

Funded by Big Lottery Fund that supports voluntary sector improvement

Governance: Code

For the provision of ongoing stewardship of the Code

Local Policy Engagement: Lloyds TSB Foundation for England and Wales

To provide advice and support to frontline voluntary and community organisations to better understand the changing policy landscape.

Stronger Communities: BLF

To use volunteering to help communities to tackle the effects of the economic downturn and subsequent public spending reductions whilst building and strengthening the capacity of the volunteering infrastructure to provide more effective support to communities in future.

Stronger Communities: BLF (IVR)

To explore the role that volunteering can play in helping communities to cope with future recessions and public spending cuts.

IVR Marie Curie: Marie Curie

A two-year research project exploring volunteering in palliative care.

Innovation in Giving: NESTA

To run a new strand of the IIG fund that will support Volunteer Centres to develop and prototype innovations in giving.

It's Our Community: Calouste Gulbenkian Foundation

To showcase examples of communities leading projects that respond to local need and aspirations.

Leadership (legacy)

Legacy for leadership (Winifred Tumin) and for music for people with learning difficulties (Diana Kurzman).

Plowden Fellowship

Fellowship to take up theme of good governance.

CSiS Charity Fund: Working for a Charity bursaries

To provide bursaries for people who have worked in the public sector who wish to attend Working for a Charity courses in order to transfer their skills to the Voluntary sector.

18 Reconciliation of net incoming resources for the year to net cash inflow

	2013 £'000	2012 £'000
Net incoming resources for the year	659	330
Investment income and interest paid	(6)	(45)
Depreciation	281	137
Decrease/(Increase) in stocks	(15)	(2)
Decrease/(Increase) in debtors	(291)	(53)
Increase/(decrease) in creditors	367	26
Non-cash difference between contributions paid and current service costs less finance income	(261)	(144)
Share of net income from joint ventures	24	-
Net cash inflow from operating activities	758	249

19 Gross cash flows

	2013 £'000	2012 £'000
Returns on investments and servicing of finance		
Interest received	-	3
Interest and bank charges paid	(64)	(21)
Investment income – dividends	70	63
	6	45

20 Analysis of changes in net debt

	At 1 April 2012 £'000	Cashflows £'000	At 31 March 2013 £'000
Cash at bank and in-hand	996	(97)	899
Debt due within one year	(28)	(59)	(87)
Debt due after more than one year	(1,081)	(1,161)	(2,242)
Total net cash funds	(113)	(1,317)	(1,430)

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21 Defined benefit pension scheme

As explained in note 1(m), the charity operated a defined benefits pension scheme, the assets of which are held separately from the charity. This scheme was closed on 31 March 2011.

	2013 %	2012 %	2011 %	2010 %	2009 %
Rate of increase in salaries	3.3	3.1	4.9	2.5	2.5
Rate of increase in pensions in payment	2.4	2.2	2.9	3.1	2.7
Discount rate	4.4	4.8	5.5	5.5	6.7
Inflation assumption	2.4*	2.2*	2.9	3.2	2.7

* The trustee board agreed to the adoption of CPI (RPI Inflation assumption – 3.3%)

	Long term rate of return expected 2013 %	Value 2013 £'000	Long term rate of return expected 2012 %	Value 2012 £'000	Long term rate of return expected 2011 %	Value 2011 £'000	Long term rate of return expected 2010 %	Value 2010 £'000
Equities	7.3	7,166	8.0	6,497	8.4	5,683	8.4	5,718
Bonds	3.7	8,400	5.1	7,802	4.7	7,597	4.7	6,964
Property	6.3	1,093	7.0	1,035	7.4	970	7.4	895
Cash	0.5	42	0.5	64	0.5	106	0.5	69
Total market value of assets		16,701		15,398		14,356		13,646
Present value of scheme liabilities		(20,037)		(18,066)		(16,887)		(16,670)
Surplus/(Deficit) in the scheme equalling the net pension liability		(3,336)		(2,668)		(2,531)		(3,024)

	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Analysis of the amount charged to the statement of financial activities for service costs				
Current service cost	92	83	164	123
Past service cost	-	-	-	-
Total operating charge	92	83	164	123
Net finance income credited to staff costs				
Expected return on pension scheme assets	823	872	867	660
Interest on pension scheme liabilities	(855)	(918)	(904)	(814)
Net return	(32)	(46)	(37)	(154)
Total	124	129	201	277

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21 Defined benefit pension scheme (continued)

Analysis of actuarial loss recognised in statement of financial activities	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Actual return less expected return on pension scheme assets	701	391	69	1,994	(2,877)
Experience gains and losses arising on the scheme liabilities	30	-	(645)	(6)	31
Changes in assumptions underlying the present value of scheme liabilities	(1,660)	(672)	865	(3,851)	1,076
Actuarial gain /(loss)	(929)	(281)	289	(1,863)	(1,770)

Movement in deficit during the year	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Surplus/(Deficit) in scheme at beginning of year	(2,668)	(2,531)	(3,024)	(1,293)	382
Current service cost	(92)	(83)	(164)	(123)	(165)
Contributions	385	273	393	409	267
Past service costs	-	-	-	-	-
Gains on curtailment*	-	-	12	-	-
Other finance income/(costs)	(32)	(46)	(37)	(154)	(7)
Actuarial gain/(loss)	(929)	(281)	289	(1,863)	(1,770)
Surplus/(deficit) in scheme at end of the year	(3,336)	(2,668)	(2,531)	(3,024)	(1,293)

*The Curtailment item represents the impact of the scheme closing to accrual at 31 March 2011.

History of experience gains and losses	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Difference between the expected and actual return on scheme assets	701	391	69	1,994	(2,877)
% of scheme assets	4.2	2.5	0.5	14.6	-26.1
Experience gains and losses on scheme liabilities	30	-	(645)	(6)	31
% of the present value of scheme liabilities	0.1	-	(3.8)	(0.0)	0.3

Changes in the present value of the defined benefit obligation	Year ending on 31 March 2013 £'000	Year ending on 31 March 2012 £'000
Opening defined benefit obligation	18,066	16,887
Service cost	92	83
Interest cost	855	918
Contributions by employees	-	-
Past service costs – vested benefits	-	-
Past service costs – non-vested benefits	-	-
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Actuarial losses/(gains)	1,630	672
Disbursements	(606)	(494)
Closing defined benefit obligation	20,037	18,066

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21 Defined benefit pension scheme (continued)

	Year ending on 31 March 2013 £'000	Year ending on 31 March 2012 £'000
Changes in the fair value of the scheme assets		
Opening fair value of the scheme assets	15,398	14,356
Expected return	823	872
Assets distributed on settlements	-	-
Actuarial gains/(losses)	701	391
Contributions by employer	385	273
Contributions by employees	-	-
Distributions	(606)	(494)
Closing fair value of the scheme assets	16,701	15,398
Actual return on scheme assets	1,524	1,263

Assumed life expectations on retirement at age 65 are:	2013	2012
Those retiring in 2013		
Males	88.3	88.1
Females	90.3	89.9
Those retiring in 2033		
Males	90.5	90.4
Females	92.2	91.8

The employer contributions that NCVO is due to pay into the defined benefit scheme during 2013/14 total £325,000.

22 Taxation

NCVO is a registered charity and as such is not liable to tax on its income and gains that meet the tax exemptions. The charity's trading subsidiary, NCVO Trading Limited, pays its profits to the charity under Gift Aid.

23 Related parties

The charity owns 100% of the issued share capital in NCVO Trading Limited. The results of the trading company are shown in note 24 to the accounts.

As stated in the CAF Trust Deed, the chair of NCVO occupies one trustee position on the board of the Charities Aid Foundation. This position is currently filled by Martyn Lewis CBE.

CaSE (Charity and Social Enterprise Insurance Management LLP) is a related party of NCVO through NCVO Trading Limited's holding of 40% of its equity. CaSE has been accounted for as a joint venture and consolidated on the SOFA and balance sheet.

NCVO also holds an investment of 33% in Trustees Unlimited LLP, a related party joint venture between NCVO Trading Limited, Russam GMS and Bates Wells Braithwaite, who each hold a third of the shares. This investment was purchased in 2009/10 at a cost of £1k, which was repaid by the LLP during 2010/11.

The wife of Sir Stuart Etherington, chief executive of NCVO, is an equity partner with Bates Wells Braithwaite London LLP, NCVO's legal advisers. NCVO has a specific policy in place to

avoid any potential conflicts of interest arising by ensuring that that any decision to enter into a new business relationship with Bates Wells and Braithwaite is approved by the chair, or in his absence, the deputy chair or honorary treasurer. All significant elements of work involving Bates Wells and Braithwaite are overseen by the director of planning and resources, and reported to the chair and honorary treasurer on a regular basis. Professional fees of £68,699 were paid to Bates Wells Braithwaite during the year for legal advice. There was an outstanding balance owed at 31 March 2013 of £1,861. NCVO jointly runs its annual Trustee Conference with Bates Wells Braithwaite and is a partner with them in CaSE Charity and Social Enterprise Insurance Management LLP, and Trustees Unlimited LLP.

24 Subsidiary and parent company results

The charity owns 100% of the issued share capital in NCVO Trading Limited. The company made a profit of £693k for the year ended 31 March 2013. The investment at cost is £1.

	Trading Company 2013 £'000	Trading Company 2012 £'000
Summary profit and loss account		
Turnover	1,465	1,554
Cost of sales	(738)	(624)
Gross profit	727	930
Other operating income	12	8
Expenditure	(46)	(42)
Net profit before Gift Aid	693	896
Gift Aid to NCVO	(693)	(896)
Summary balance sheet		
Fixed Assets – Investments	145	145
Debtors	271	291
Cash at bank and in-hand	271	625
	687	1,061
Creditors: amounts falling due within one year	(687)	(1,061)
Creditors: amounts falling due after one year	-	-
Net assets	-	-

25 Transfer of net assets from Volunteering England

On 1 January 2013 Volunteering England transferred all the operations and assets liabilities to NCVO for £nil consideration.

The transfer has been accounted for using the acquisition method. The

assets and liabilities were valued at fair value and recognised in the balance sheet under the appropriate headings, with the corresponding net amount recognised as net income in the consolidated statement of financial activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred, and an analysis of their recognition in the statement of financial activities:

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Debtors and accrued income	96	17	113
Cash at bank and in-hand	548	21	569
Creditors and accruals	(140)	-	(140)
Net assets transferred on 1 January 2013	504	38	542

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