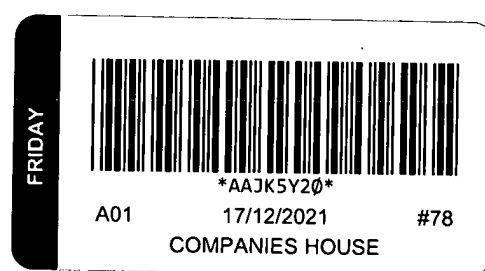


# National Council for Voluntary Organisations

Report and financial statements for the year ended 31 March 2021

Company number: 198344

Charity number: 225922



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## Reference and administrative details of the charity, its trustees and advisers for year ending 31 March 2021

Patron: Her Majesty The Queen  
President Baroness Jill Pitkeathley

### NCVO Trustee Board Honorary Officers

Chair	Dr Priya Singh	Appointed	23 November 2020
Interim chair	Anne Heal	Resigned as chair	23 November 2020
Co-Vice chair	Julie Bentley		
Co-Vice chair	Vanessa Griffiths	Resigned	23 November 2020
Co-Vice chair	Anne Heal	Appointed	23 November 2020
Honorary treasurer:	Paul Breckell		

### Trustees

Emily Agius	Appointed	23 November 2020
Paul Buchanan	Appointed	23 November 2020
Andy Cook	Resigned	16 June 2020
Jake Ferguson	Resigned	22 June 2021
Jenny Field	Resigned	23 November 2020
Chris Freed	Resigned	23 November 2020
Vanessa Griffiths	Resigned	23 November 2020
Kiran Kaur	Resigned	2 February 2021
Dr Sarabajaya Kumar	Appointed	23 November 2020
Angela Spence	Appointed	10 September 2021
Dan Sutch		
Sheila Taylor		
Ingrid Tennessee		

### NCVO Trading Limited Directors

Paul Breckell		
Paul Buchanan	Appointed	14 June 2021
Susan Cordingley	Resigned	1 February 2021
Jenny Field	Resigned	23 November 2020
Dominic Fox		
Chris Freed	Resigned	23 November 2020
Bruce Gordon (Chair)		
Vanessa Griffiths	Resigned	23 November 2020
Jeremy Rees		
Dan Sutch	Appointed	1 March 2021
Sarah Vibert	Appointed	1 March 2021
Karl Wilding	Resigned	1 March 2021

### Audit and Risk Committee

#### Trustees

Emily Agius	Appointed	12 July 2021
Paul Breckell		
Chris Freed	Resigned	23 November 2020
Dr Sarabajaya Kumar	Appointed	12 July 2021

#### Independents

Sarah Morrison (Chair until resignation)	Resigned	1 March 2021
David Howley	Resigned	12 July 2021
Kafui Tay (interim chair from 1 March 2021)		

### Nominations Committee

#### Trustees

Emily Agius	Appointed	23 November 2020
Julie Bentley		

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

Paul Breckell		
Jenny Field	Resigned	23 November 2020
Anne Heal (Chair until resignation)	Resigned	23 November 2020
Dr Priya Singh (Chair from appointment)	Appointed	23 November 2020

### Independents

Jo Ash CBE	Resigned	23 November 2020
Dominic Fox	Resigned	23 November 2020
Crewenna Dymond	Appointed	23 November 2020
Fatma Gulsan	Appointed	23 November 2020

### HR and Remuneration Committee

#### Trustees

Paul Breckell		
Anne Heal	Resigned	23 November 2020
Dr Priya Singh	Appointed	23 November 2020
Ingrid Tennessee		

### Independents

Karen Chapman (Chair from 2 October 2020)	Appointed	2 June 2020
Dame Julia Cleverdon DCVO, CBE (Chair until resignation)	Resigned	2 October 2020
Chris Wade		

### Equity, Diversity and Inclusion Committee

#### Trustees

Julie Bentley (interim chair from 17 July to 25 November 2020)	Appointed	17 July 2020
Jake Ferguson	Appointed	17 July 2020
Jake Ferguson	Resigned	22 June 2021
Anne Heal (interim chair from 25 November 2020 to 26 May 2021)	Appointed	17 July 2020
Dr Sarabajaya Kumar	Appointed	21 April 2021
Ingrid Tennessee	Appointed	17 July 2020
Ingrid Tennessee	Resigned	25 November 2020

### Independents

Karen Chapman	Appointed	17 July 2020
Chris Freed	Appointed	17 July 2020
Nazia Mirza (interim chair from date of appointment)	Appointed	26 May 2021

### Chief Executive

Karl Wilding	Resigned	31 March 2021
Sarah Vibert (interim)	Appointed	26 January 2021

### Directors

Susan Cordingley	Resigned	1 February 2021
Laura Crandley	Appointed	19 January 2021
Gavin Finch (interim)	Appointed	22 March 2021
Megan Griffiths Gray	Resigned	31 March 2021
Sarah Vibert	Appointed as interim CEO	26 January 2021

### Company Secretary

Susan Cordingley	Resigned	1 February 2021
Laura Crandley	Appointed	1 February 2021

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

### **NCVO Members' Assembly**

The purpose of the Assembly is to enable a wider member base to contribute to the development of public policy at NCVO. It allows members to contribute to the development of new and emerging thinking on public policy and meetings are open to all members.

### **Auditors**

PKF Littlejohn LLP  
15 Westferry Circus, Canary Wharf, London E14 4HD

### **Bankers**

Barclays Bank Plc

### **Investment managers**

UBS

### **Registered office and operational address**

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

**Registered charity number: 225922**

**Company registration number: 198344**

# From the chair

Welcome to NCVO's annual report for 2020/21.

This report reflects back on a year like no other in recent memory. The effects of the Covid-19 pandemic have been wide ranging across society, the sector and for NCVO. When the first lockdown was announced last March, we saw charities do what they do best: stepping up to respond to new and urgent needs in society. The impact of the pandemic on the volunteering landscape has also been extraordinary. There have been significant shifts in how people are volunteering, what they are doing, and who is getting involved.

We now have a clearer picture of the direct impact the pandemic has had on our sector and, as we have worked through this year of transition and transformation for us all, I have been immensely proud of the incredible work that NCVO staff have continued to deliver. With that in mind, I look forward to fulfilling our new strategy to provide more much-needed support for members, as well working alongside members to champion the role of charities to government and the public.

## **Responding to increased demand**

The story at NCVO this past year reflects the experience of many of our members and the wider sector. We've seen demand for our services and resources increase whilst a large percentage of our revenue-generating activities had to stop almost overnight.

I have watched with awe as our dedicated team has gone about its work pivoting many of our services from face-to-face to remote delivery. I have seen us open up all our resources to a sector that was hungry for information to support their own decision-making. I have seen organisations committing to long-term relationships with us by becoming members, whether to be part of a collaborative voice for the sector or as a way of acknowledging the resources they've benefited from. So we are ending the year in a better place financially than anticipated, with a small surplus before investment gains, due to the hard work and sacrifices of our team and with thanks to the National Lottery Community Fund, from whom we received a grant allowing us to continue to focus our effort and resources on providing additional support for the sector through this challenging year.

## **Acknowledging the commitment and sacrifice of our staff**

During the pandemic, many staff at NCVO made personal financial sacrifices to support our organisation. This was either by going on furlough and not receiving their full salary as part of the government's Job Retention Scheme, or through taking a voluntary pay cut. As we closed the financial year in a better than predicted position, the board felt able to reimburse all staff who made sacrifices, so that they received their full contractual pay for 2020/21.

Like many charities in the sector, NCVO is going to feel the impact of the pandemic over more than one financial year. You can be confident that we have reduced our cost base, have healthy reserves and are optimistic about many revenue generating activities returning in 2021/22.

## **Landmark membership support**

I am delighted that this year we also reached a landmark 16,000 members and recorded our largest membership growth on record. We welcomed Disability Information Bureau as our 16,000th member in December 2020. Their work is focused on empowering disabled people, vulnerable adults, carers and those with long-term health conditions

## Report of the trustee board (continued)

For the year ended 31 March 2021

to achieve their full potential. We are proud to have them as a part of our voluntary sector community and look forward to supporting and working alongside them and all our members to make the biggest impact they can.

We have seen an acceleration of other changes in wider society that have in turn impacted on the voluntary sector. The global anti-racist mobilisation that was sparked by the death of George Floyd in police custody in the USA has invigorated the Black Lives Matter movement in the UK. This has inspired many voluntary sector organisations, including NCVO, to publicly stand against racism and take action to address structural inequality.

Another global movement given a new focus during the pandemic is climate change. Our sector has been amongst many voices calling for a green recovery from Covid-19. Charities and volunteers clearly have a critical role to play in a future society that is not solely focussed on economic growth and consuming more resources.

### **Stability to follow a period of change**

The end of 2020/21 also marked the close of a period of internal change at NCVO. I took on the role of chair in November 2020 from interim chair Anne Heal, and Anne remains as an honorary officer and co-vice chair of the board of trustees. Anne continues to be a source of insight, wisdom and support to us all and on behalf of all the trustees, I would like to record my thanks to her for her stewardship over the year.

In 2019 we began a new long-term strategy review that concluded at the end of 2020. We have managed a considerable restructure of the organisation to make sure we have a reduced cost base and the right roles to deliver our goals to connect, support and amplify charities and volunteering. Having concluded this process, Karl Wilding made the decision to step down as chief executive in January, believing that someone new, not part of the past, should lead the necessary cultural change NCVO is determined to achieve in order to deliver our new strategy.

Appointing our new chief executive will be one of the most important duties I and the board of trustees undertake in the year ahead. We are determined to find the right candidate for the NCVO that is emerging in 2021. Someone who shares our new values and who can continue to deliver the new strategy we have developed with our members.

I am delighted that, while we work through the process of selection for the new permanent chief executive, we have the reassurance that Sarah Vibert will continue as interim chief executive in the positive and impactful way in which she has begun.

When we commissioned our work on equity, diversity and inclusion (EDI), we knew that the organisation needed to change – its governance, operation, culture and values, and NCVO has approached our work on EDI with integrity and transparency. Following receipt of the independent internal report into EDI in NCVO, we shared with staff and spoke publicly. We were open that it had revealed deep-rooted cultural traits, behaviours and practices that are limiting the ability of NCVO to be inclusive, socially just and relevant.

Cultural change is at the heart of our new strategy. We are tackling the issues highlighted in the report with a recognition that we still have much to learn and do. As NCVO, we feel a responsibility to share our mistakes and our learning openly with the sector, as we build the inclusive culture of the new NCVO.

### **A new leadership team to focus on supporting and representing members**

## Report of the trustee board (continued)

For the year ended 31 March 2021

As interim chief executive Sarah will be supported by a new leadership team structure and together we are working to embed our new culture and ways of working – driven by our values of being open, collaborative, inclusive and ambitious, this will underpin how NCVO approaches everything it does.

We have a fantastic new strategy, and the board of trustees is excited that the new team is in place to deliver it. I am looking forward to working together over the next 12 months and seeing our plans for the vital role NCVO plays come to fruition.

Thank you all very much for contributing your thoughts to our strategy consultation – what you told us you wanted most is help with the fundamentals of running a charity, adapting to an ever-changing environment, and growing to meet new demand. This is more important now than it has ever been and NCVO's focus on providing high-quality practical support and guidance on the things that matter to organisations will continue.

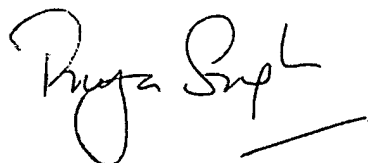
You also told us that NCVO has an important role to play in harnessing our sector's collective power, enabling us to work collaboratively to make the case for charities and volunteering.

Most importantly you told us that it was *how* we did things that needed to change, rather than *what* we do. We are now working more **collaboratively**, with members and with the people and organisations who want charities and volunteering to thrive. We are **inclusive** of all voices, bringing the experience and insights of our diverse membership to shape what we do and how we work. We are **open** about how we work and the things we learn along the way, not least in our journey towards becoming a more diverse, equitable and inclusive organisation.

We are **ambitious** for charities and volunteers as our society recovers and rebuilds, in the knowledge that they continue to provide essential support to communities across the country.

This report reflects back on a year like no other in recent memory. The effects of the Covid-19 pandemic have been wide ranging across society, the sector and for NCVO. *Our hearts go out to those who have lost loved ones and our immeasurable thanks to those who have worked tirelessly to help us all.* When the first lockdown was announced last March, we saw charities do what they do best: stepping up to respond to new and urgent needs in society.

Thank you for your continued support - we look forward to continuing to work with you in 2021/22.



Best wishes,

Dr Priya Singh

Chair, NCVO

## Report of the trustee board (continued)

For the year ended 31 March 2021

# From the interim CEO

The past year has been a difficult one at NCVO, as it has been for our members, the wider voluntary sector and society. We have been dealing with our own challenges during an intense period of change, while striving to provide the best possible support and guidance to members and the wider sector.

I believe we can be proud of how we have supported charities and volunteering this year. We rapidly developed new online coronavirus resources, receiving almost half a million views, including responding to needs of members with a new suite of content to support charities with digital volunteering and technology planning.

Lobbying for funding with partners has been a critical part of our work. The #EveryDayCounts campaign resulted in £750 million of coronavirus funding for frontline charities. As part of the coalition of voluntary sector infrastructure organisations, we are refreshing our collective strategy to demonstrate to government how charities can support the country in recovery and renewal. Our research project with two leading universities is providing regular temperature checks on the state of charities throughout the crisis, providing key learnings and vital evidence of need for the sector.

Key parts of the successes of the pandemic response have been collaboration and volunteering. Our Rebalancing the Relationship project explores the challenges and benefits of collaborative working. We have also submitted, with partners, recommendations for a National Volunteer Passporting Scheme to make it easier for volunteers to move between similar roles.

The pandemic also presented us with an opportunity to take a broader look at NCVO's future direction. In 2020 we concluded our long-term strategy process. We asked ourselves: What does a modern charity membership body do and how does it do it? We also involved over 900 stakeholders in a consultation across 18 months about our future. This process resulted in our new strategy.

In many ways our new strategy is evolution, not revolution. In terms of what we will do, while reducing income and a smaller staff team mean we must inevitably do less, much will remain familiar. Our focus on providing high quality practical support and guidance will continue, we will keep pushing for the best possible environment for charities and volunteering, and we will mobilise to make sure the essential role it plays is recognised. The biggest changes will be in how we do things. Here we are guided by the principle of being member focused.

This may feel obvious but meeting the needs of over 16,500 diverse members is no easy task. We are determined to take a more collective approach. This means a far greater focus on understanding the challenges and ambitions of members, and continually developing our offer in response.

Making connections is another core principle for our future. We have learnt from the pandemic that creating spaces for different strengths to come together to tackle shared problems achieves greater impact. This theme will also run through our member offer. We want joining NCVO to feel like joining a community and will focus more on building networks across our membership, creating events that bring diverse members together to learn, share, connect and collaborate.

To deliver our new strategy and respond to the pandemic, we needed to reshape ourselves. This process was difficult during an already tough year. I would like to pay tribute to the incredible resilience and passion of the NCVO team.

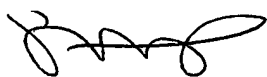
## Report of the trustee board (continued)

For the year ended 31 March 2021

That we are now in a positive position to deliver our new strategy, with a completed restructure and new leadership team, is down to their ambition for charities and volunteering.

Importantly, we are also working to deliver a new culture. NCVO's EDI report presents us as an organisation with a culture which has caused so much pain to staff past and present. I want to reiterate my thanks again to the staff who came forward and shared their stories. We recognise that we have much to learn and are committed to change. We've been open about our vital EDI journey. There are clear actions in our EDI plan, which we will continue to implement over the coming year to build on the work already done, and cultural change sits at the core of our new approach.

Thank you for your support and everything you have done for your communities during a difficult year. We are at a crossroad in society as we emerge from the pandemic, we at NCVO are committed to supporting, connecting and amplifying charities and volunteers as we recover and rebuild across the voluntary sector and the country.



Best wishes,

Sarah Vibert

Interim CEO, NCVO

## Report of the trustee board (continued)

For the year ended 31 March 2021

# Structure, governance and management

The trustee board presents its annual report (incorporating the strategic report) and the audited financial statements for the year ended 31 March 2021.

The legal and administrative information set out on pages 3 to 5 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Charities' SORP (FRS 102).

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.

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 12 trustees, including three honorary officers (chair, vice-chair and treasurer). The chair, treasurer and seven trustees are elected by the members. 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. This role is currently shared by two trustees. Trustees serve for a term of three years, with a maximum of two terms.

The following committees report to the board:

- Nominations Committee, to facilitate diversity in the governance structure, ensure the right mix of skills and experience and supervise the democratic process;
- HR and Remuneration Committee, to consider HR policy and related matters;

- Audit and Risk Committee, to provide independent advice and assurance on risk, control and audit matters;
- Equity, Diversity and Inclusion (EDI) Committee (formed in July 2020), to provide challenge and support to the board and leadership team in relation to practice, culture and approach to EDI and to take the lead on behalf of the board on oversight and scrutiny of our EDI goals and progress in NCVO.

NCVO Members' Assembly is a forum to advise the board on issues relating to volunteering and the voluntary sector and to contribute to the development of NCVO's positions on matters of public policy. They also provide an opportunity for members to tell us about the issues affecting them and to network with others in their local area. Due to Covid-19 restrictions we did not hold any member assemblies in 2020. Instead we hosted a series of webinars over the summer of 2020 which reached over 7,000 people.

On election, each new trustee receives an induction pack including *The Essential Trustee* and key organisational policies and documents. All trustees attend an induction meeting, which includes the opportunity to meet key staff. After their first year in office, each trustee meets with the chair and chief executive to review their first year.

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

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

- Public policy and volunteering – this comprises NCVO's policy and research functions whose remit includes the voluntary sector, volunteering and public services and our external relations team.
- Membership and services – this includes membership, events, our portfolio of quality

## Report of the trustee board (continued)

For the year ended 31 March 2021

standards, enterprise development, training and evaluation services as well as our internal support services, governance support and popular conference venue.

- Strategy and transformation – this comprises strategic planning function, our digital and data and IT teams and our marketing team.

Following the significant restructure undertaken at the end of 2020, the trustee board was supported during the last quarter of the year by a leadership team and staff of around 90 employees, organised into three teams, as follows:

- Finance and services - this comprises our conference facilities; corporate relationships; digital, data and technology; finance; practical support; property; and our training and consultancy offer.
- Membership and engagement – this includes marketing and communications; membership; our new networks and influencing team including policy and research.
- People, governance and culture – this comprises our cultural change work; HR; learning and development as well as governance and planning.

### President

Baroness Jill Pitkeathley was elected president of NCVO at the AGM in November 2017. The president acts as an ambassador for NCVO and is elected by the members for a non-renewable term of five years.

### Charity Governance Code and Charity Ethical Principles

NCVO is a committed supporter of the Charity Governance Code (the Code) and the Charity Ethical Principles (the Principles) as a set of standards for high performance in governance, having played a major role in their development. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. In 2018/19 an external consultant undertook a board review in line with Code practice. This exercise was led by a governance sub-group of trustees, with the support of NCVO staff. This year the trustees continue to review progress against the three areas for action. In 2021/22, we will undertake a full external governance review in line with best practice and recent updates to the Code.

### Openness and accountability

NCVO's new strategy is guided by an overarching principle of being member-focused. We are determined to take a more collective approach and recognise that members are the experts in charities and volunteering and NCVO needs to reflect this through its decision-making. For policy work this means a different approach to developing policy positions, and a different approach to influencing. It means a far greater focus on really understanding the challenges our members face, their goals, and continually developing our offer in response.

The board recognises the importance of considering the breadth of members' views in its decision making and continually reviewing how members were able to scrutinise their work. During the last year the trustees have:

- encouraged collaborative working across the sector, specifically in response to the pandemic by working closely with the Voluntary Sector Emergency Partnership and other infrastructure organisations;
- prioritised the focus on member collaboration through member assemblies, ensuring the delivery of these events have been pivoted to remote delivery in 2021/22;
- shared the results of our independent EDI report and continued updates on the progress of work across our EDI action plan and wider culture change roadmap;

## Report of the trustee board (continued)

For the year ended 31 March 2021

- continued to develop our new digital products and services in a user-led and iterative way that ensures we are meeting need;
- shared our learning through blog posts.

### **Diversity within the board of trustees**

The board considers the diversity of trustees to be a key priority but recognises the limitations associated with the combination of diversity imperatives and elective governance processes. The Nominations Committee review the board's skills and diversity annually, understand barriers to engagement and develop targeted recruitment initiatives for both elected and appointed vacancies. Trustees continue to be committed to demonstrating leadership in this area with a view to encouraging candidates from different backgrounds and experiences to put themselves forward for trustee roles. The governance review that the board has commissioned to take place in 2021/22 with a central requirement to improve the inclusivity and thus, diversity of the governance structures at NCVO.

### **Organisational purpose and leadership**

Deciding to take these two Code principles together, trustees continue to believe that it takes a delicate balance to ensure trustees fulfil both their corporate and strategic responsibilities. The board has continued to review the use of its time to ensure there is sufficient balance between corporate matters and sector-wide issues and this will also form part of our governance review in 2021/22.

### **Charity Ethical Principles**

The Charity Ethical Principles will continue to be a key consideration and part of NCVO's external governance this year. The Principles underpinned our strategy work this year and informed the development of our new values: Open, Collaborative, Inclusive, Ambitious. These values will act as an anchor and reference point for behaviours across the organisation as we embed a new culture throughout NCVO over the coming year.

## Strategic report

### Objectives and activities

NCVO champions and strengthens volunteering and civil society, with nearly 16,500 members ranging from the largest charities to the smallest community organisations. There are tens of thousands of voluntary-sector organisations in the UK. There are millions of volunteers. Every day, people across the country give their time, energy and money.

For over 100 years, NCVO has brought the voluntary sector's people together to solve

problems, address root causes and inspire each other. We know the power of the voluntary sector and volunteering. No one organisation can solve society's challenges alone, but collectively we're all vital for sustaining society in times of challenge and change. That's why – inspired and empowered by our members – we support and celebrate volunteering in all its diversity and champion and strengthen the voluntary sector by making sure that it can continue to do

what it does best and that government knows its true value.

#### 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 about, campaigning for and promoting the interests of civil society organisations – are in accordance with the regulations on public benefit.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### A year of transition – summary of key achievements

Our previous five-year strategy was scheduled to come to an end at the start of 2019. We highlighted last year we had decided to roll over its aims for one more year as we took the time needed to undertake a comprehensive strategic review. This was completed at the beginning of 2021 and we begin our work to deliver our new strategic goals in 2021/22.

The 2020/21 financial year has been dominated by the Covid-19 pandemic which has had a significant impact on our members and the wider sector. We suspended planned activity and have focused resources on providing practical support and advice to help our members manage during the crisis, supporting the coordination of volunteering activity and working with colleagues in other infrastructure organisations to lobby government for a financial support package for charities.

The following paragraphs look at our key achievements across these interim aims.

#### **Providing practical support and advice to help our members during the pandemic**

In a time of constant change and uncertainty, clear and concise information has been crucial in allowing organisations to provide the best support to volunteers and staff while responding to the pandemic and supporting the recovery. Responding to this need, we developed our online coronavirus resources, which received over 913,000 coronavirus resource views over the year to March 2021, with an increase in website traffic of +180% over March and April 2020, information on financial planning being the most popular. Involving Volunteers has been another popular source of support, providing key updates on how changing restrictions impact volunteering. The trend towards digital has been accelerated by the pandemic, with many charities moving their services online. In response we have developed a new suite of content and tools to support charities with digital and technology strategy and planning.

Given the unique environment presented by the pandemic, NCVO took the decision in March 2020 to remove our member paywall for our online resources. This meant the whole sector was able to benefit from support and advice for six months until September 2020.

We consistently responded to on average 400 – 500 email and phone enquiries a month from organisations wanting practical information and guidance on how to run their organisation. Key areas for support have included: governance, volunteer management and HR / people management.

At a time when many of us were and are physically isolated, it was important to build alliances. This includes learning how similar organisations are adapting and reaching out to professional networks for guidance on regulatory changes. In addition to our membership providing a community of peers to share and learn from, we ran 20 webinars for members and non-members across a variety of themes.

Between March and August 2020 we ran 15 webinars in partnership with a range of organisations including: our HR trusted suppliers (HR Services Partnership and Croner) as well as other partners such as Bates Wells, Trust Law, Charity Finance Group and the National Lottery Community Fund. All of these webinars had 300 – 500 attendees. We ran a series of webinars between September and December 2020 in partnership with our trusted supplier Zurich Insurance on issues such as building organisational resilience and managing cybersecurity – each webinar had over 500 people registered.

## Report of the trustee board (continued)

For the year ended 31 March 2021

In a short space of time we were able to pivot a number of our face-to-face training courses to remote delivery. It is testament to the team involved that we began delivering our online training offer, and therefore much needed income generation, in July 2020. We also pivoted our flagship annual trustee conference in November 2020 to be a series of online events.

One thing that was clear from the last year was how fast the environment we work in is changing. From getting to grips with revised government guidance, to navigating last-minute national lockdowns, voluntary organisations needed to be agile. Our 18-month barometer research project funded by the Economic and Social Research Council (ESRC) – Respond, Recover, Reset: the voluntary sector and covid-19 – explored these issues.

A partnership between Nottingham Trent University, NCVO and Sheffield Hallam University, the project uses a monthly survey to provide real-time data on the impact of Covid-19 from hundreds of voluntary organisations across the UK.

An important part of influencing is providing evidence of need. The barometer research is providing regular temperature checks on the state of charities throughout the Covid-19 pandemic to support this work.

Good governance has been never more needed than in recent times, as many boards and senior staff teams have had to make difficult decisions. It's critical that leadership work together, make effective and timely decisions, and communicate these well. As a partner of the Charity Governance Code NCVO contributed towards a review and update to the code in 2020. In addition, we launched our remote e-learning governance training course allowing trustee boards across the country access to a fantastic value induction for all new trustees.

### Working with colleagues in other infrastructure organisations

To enable charities to step up to support people and communities at a time of rising need but falling income, lobbying for funding from government with partners across the sector has been a critical part of NCVO's work over the last year. The #EveryDayCounts campaign, one of the largest campaigns NCVO has ever been involved in, resulted in £750 million coronavirus funding for frontline charities. We said at the time it was 'an important first step'. While £750 million was never going to be enough to bridge the funding gap, it did mean the difference between survival and collapse for many.

Other achievements of the sector's combined lobbying included ensuring wider support mechanisms, such as retail grants, the applicability of the loan schemes and the Job Retention Scheme, were made available to charities. As part of the coalition of voluntary sector infrastructure organisations we also set out a five-point plan on how the government can better support the financial needs of charities in response to Covid-19. The coalition is now refreshing our collective strategy to consider new ways to demonstrate to government how charities can support the country in recovery and renewal.

The continued response to the pandemic reminds us that as a sector we are stronger when we come together. Yet collaboration is not without its challenges. It requires reflection, an acknowledgement of mistakes and focus on changing behaviours and attitudes. Recognising that partnership work is not always straightforward, the Rebalancing the Relationship project explores these challenges while highlighting the benefits of collaborative working.

## Report of the trustee board (continued)

For the year ended 31 March 2021

Ensuring we maintain the goodwill we have witnessed throughout this crisis is a key priority. NCVO and Volunteering Matters worked in partnership to develop recommendations for a National Volunteer Passporting Scheme. This aims to make it easier for volunteers to move between similar roles in different charities. Our research into barriers to volunteering, as well as our work on the role of volunteering in addressing health inequalities, points to how the future of volunteering can – and must – be more inclusive.

### Supporting the coordination of volunteering activity

It goes without saying that volunteers have played a key role in the pandemic response. Last April, more than 750,000 people signed up to the NHS Volunteer Responders and thousands of mutual aid groups were created across the country, as communities came together to support each other. Volunteers continue to play an important role. For example, the Royal Voluntary Service is working in partnership with St John Ambulance to support the NHS in delivering the vaccination programme.

The Voluntary and Community Sector Emergencies Partnership is a great example of collaborative work, pooling evidence on unmet need and using this information to allocate resources to those not being supported elsewhere. NCVO has continued to work as a partner of VCSEP, specifically working with partners in the early stages of the pandemic to provide information and guidance across the sector and, latterly, to identify regional and local gaps in need and volunteer capacity to mobilise membership organisations in response.

We have also been able to generate insight from our monthly barometer around the impact on volunteering for charities, the variation in supply and demand of volunteers, how people are volunteering and highlighting the shifts in demographics and profile of the volunteer community.

In addition to recruiting new volunteers, it is important we acknowledge and celebrate the contribution of current volunteers, particularly in light of the last eighteen months. Following a decision to step back from the Volunteers' Week delivery partnership in 2020 we looked forward to re-establishing our role in the delivery (alongside partners across the home nations) of Volunteers' Week 2021 in June this year to recognise, along with others across the sector, the huge role volunteers have played.

### Equity, diversity and inclusion

With the government's roadmap out of lockdown established, questions now arise as to what kind of recovery we want.

Rather than being a 'great leveller' as initially described, Covid-19 has worsened inequalities within our society. Members of our communities have been disproportionately affected by both the pandemic and the policy measures taken to address it. The pandemic will cast a long shadow in terms of its impact on society, and charities and volunteers have been working tirelessly to expose these inequalities and will be a critical part of the solution to how we collectively meet new needs. Charities also have an important role in pushing for a more equitable, inclusive and sustainable future. The Crack the Crises campaign, developed by a coalition of charities, is highlighting the opportunity to tackle social injustice and climate change as part of creating a post-Covid world and we committed to support this as a partner.

As the global anti-racism movement was growing during 2020, we continued our Time Well Spent research on volunteering and diversity. For the great majority of people volunteering is a positive experience, however some

## Report of the trustee board (continued)

For the year ended 31 March 2021

volunteers are less likely to have a positive experience than others, including younger, Black, Asian and minority ethnic (BAME), and disabled volunteers. Our research explored diversity and volunteering from the perspective of volunteer-involving organisations, examining new approaches to diversity and inclusive volunteering in the wake of the pandemic.

At the start of 2020 we also began work to take an in-depth look at EDI at NCVO. This work, carried out with an external consultant, involved consultation with staff across the organisation in early 2020, with a report of the findings was produced and shared internally during the summer which revealed NCVO has deep-rooted cultural traits, behaviours, structures and practices that were not only limiting our ability to be inclusive, socially just and relevant, but have caused pain and suffering to staff.

We were shocked by the report. Our previous chair and chief executive apologised to staff and acknowledged the findings publicly in August 2020. A series of blogs from staff with lived experience sought to openly share the findings.

Now we understand the complex reasons which caused us to fail, we are committed to making progress to address them. We have commenced a vital and extensive EDI and culture change journey as an organisation. Our EDI action plan, developed collectively across the staff team and informed by the EDI report, underpins this cultural change and we discuss our cultural change work as a staff team. We have begun to implement the action plan, including technical work such as updates to policies, training, and building EDI into objectives but also critical work to rebuild trust across the staff team.

Our priority is to get this right at NCVO. We want to be the best organisation we can for staff, members, and the wider sector. Part of this includes ensuring we share our experience and learning as transparently and frankly as possible. We believe we owe this to the sector and, most importantly, to the staff who were impacted and harmed by the failings at NCVO, to whom we offer our apologies and continued support. News of our EDI report also led to many people working within the voluntary sector to share their experiences and we have a duty to support them and the wider EDI journey being undertaken in the sector.

### Restructure

Over the last year NCVO has reimagined its goals and activities to ensure the organisation is fit for the future. To deliver our new strategy and respond to the pandemic, including decreased income from our conference suite, training and events, we commenced an organisation-wide restructure in October 2020.

NCVO's staff headcount was reduced to 87 posts in total, a net loss of 20 posts. The restructure resulted in 9 compulsory redundancies and 11 voluntary redundancies.

The restructure included:

- reducing the size of NCVO's leadership team, moving from three directors down to two. NCVO's wider management team reduced from 17 to 10 people;
- an extensive re-organisation that saw the number of teams reduce from 13 to 7;
- a slimmed down, more focused approach to practical support for charities and volunteering;
- a new 'people, governance and culture' team was created to help deliver the culture change required to deliver NCVO's new strategy, as well as driving forward NCVO's wider equity, diversity and inclusion action plan;

## Report of the trustee board (continued)

For the year ended 31 March 2021

- continued investment in NCVO's digital and technology capacity to boost online services, networks and information for members;
- transferring delivery of the Trusted Charity quality standard and Trusted Charity Mark to a new provider; and
- ceasing the Funding Central service on 31 March 2021. NCVO worked with other providers to ensure alternative options were available.

This process was difficult during an already tough year and both the leadership team and trustees worked to honour and celebrate past achievements and to say thank you and a grateful farewell to dedicated and talented staff who left the organisation through the restructure. We are now in a positive position to deliver our new strategy, with a completed restructure and new leadership team in place.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Summary of the year in numbers – What NCVO has delivered

#### Events and webinars

- We pivoted our flagship annual trustee conference in November 2020 to be a series of online events;
- We ran a total of 20 webinars across the year;
- We ran a series of 15 practical support webinars between March – August 2020 in partnership with a range of organisations including: our HR trusted suppliers (HR Services Partnership and Croner) as well as other partners such as Bates Wells, Trust Law, CFG and the National Lottery Community Fund. All of our webinars had 300 – 500 attendees;
- We ran a series of three webinars between September – December 2020 in partnership with our trusted supplier Zurich Insurance on issues such as building organisational resilience and managing cybersecurity – each webinar had over 500 people registered;

#### Training figures:

From July 2020 until 31 March 2021:

- Delivered 63 online training courses in 12 topic areas; and
- Trained 1,728 learners.

Attendee demographics include:

- 80% were NCVO members;
- 20% were not yet members;
- Most learners from London and the South East, but more equal representation from all other regions of England; and
- Majority from the under £50,000 income bracket followed by the £100,000 to £1 million bracket.

Popular courses:

Trustee induction, bid writing, charity finance for non-finance managers and volunteer management.

#### Website and resources

Website - 1.6 million users

Website - 6 million+ page views

Website - 913,000 page views of coronavirus content and guidance

Website - 200,000 users of specific coronavirus guidance

Top 3 coronavirus guidance topics:

1. Contingency planning and financial implication.
2. Involving volunteers.
3. Keeping safe: supporting your staff, beneficiaries and volunteers.

#### Membership

16,457 members at year end (+7% growth year on year) highest ever year on year growth

## Report of the trustee board (continued)

For the year ended 31 March 2021

- 11,134 (68%) non-paying members;
- 5,323 (32%) paying members.

Overall retention rate of 97%

- 97% community (free) members;
- 98% paying members.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Membership profile

Despite unprecedented challenges, 2020/21 was successful for membership growth and retention. With the initial impact of the Covid-19 pandemic, we made the important decision to open member-exclusive online resources to the whole sector, and membership acquisition slowed. After five months, we replaced the member wall and ran an amplified marketing campaign to promote our member offer to the sector. We received double the number of applications we usually get in a month. We welcomed 1,600 organisations to membership by the end of the year and our membership grew by 1,100 members.

We delivered four member assemblies before Covid-19 emerged and our member events programme was cancelled. We pivoted and held six online Think-In events over the summer, where we heard from a diverse range of members, whose experiences and insight encouraged a new sense of unity and belonging amongst our membership.

We expected a drop in our overall member retention rate, but instead saw an overwhelming sense of loyalty from our members. We saw a 98% retention rate - the highest we have ever recorded. We even heard from a number of members who told us that even though they qualified for free NCVO membership they *wanted* to pay a subscription fee because of the value they associated with our member resources.

We saw some new membership trends in 2020/21. For the first time we did not record growth in members with an income over £5million per annum. There was a decline in members committing to 3-year membership, as charities were facing more uncertainty than ever before. There was an increase in our members' usage of our strategy tools and resources and, unfortunately, we noticed a number of our members needing to close their doors indefinitely.

The trends were not all disheartening: there was a significant increase in organisations joining because their local infrastructure had signposted them to us, demonstrating a more collaborative relationship with CVS's and other umbrella organisations; a jump in organisations joining in order to benefit from the members' discount on NCVO training; and 400 of our smallest members grew and converted to paid membership.

NCVO members are spread across the country. 25% operate within the M25 while the other 75% reach to the furthest corners of England. Throughout the year our market penetration of charities in England increased to 12.3%. The majority of NCVO members (71%) continue to be small organisations with an annual income under £30,000 p.a., though we count 25% of all registered charities with an income over £1million as NCVO members. Members continue to be highly engaged across our owned marketing channels and a third of our new members join NCVO on the recommendation of an existing member.

Member feedback from the year:

*Caring Canines, member since 2011 "I much appreciate knowing that we can call on the guidance and support of the NCVO at any time."*

*Black Beetle Health, member since 2020: "We utilise NCVO resources a lot and value the service and support it offers."*

*Fabricants de Futur, member since 2018: "NCVO has been the most supportive organisation for us since we formed a year ago, by a very long margin."*

## Report of the trustee board (continued)

For the year ended 31 March 2021

*Council for British Research in the Levant, new member 2021: "We cannot believe what an excellent resource you have! I'm actually a bit scared to log in as I can sink so much time as there is SO much that is relevant and interesting. It's a really great resource."*

*Happy Wanderers Ambulance Organisation, member since 2015: "As a very small charity, we do value our connection to NCVO. Thanks especially for all your information and updates through this last year."*

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Our new strategy

Earlier this year we announced our new strategy, with new long-term goals after a year-long strategic planning process that included a wide consultation across the sector. Our new strategy is based on insight gathered throughout 2019/20 from over 900 stakeholders from across the sector. But is also in response to the impact of Covid-19 and changing needs of our members. Our strategy focuses on four goals and is underpinned by our new values.

#### **WHY: Purpose: Why we exist and the value we create for society**

Together, we'll champion charities and volunteers.

The compassionate people who make a daily difference. The collective impact made across the country.

For stronger communities. For everyone. Everywhere.

#### **WHAT: Mission: What we promise to deliver**

Let's unite to champion the remarkable role of charities and volunteering.

By speaking up and enabling each other to make a bigger difference.

Whoever you are. Wherever you're from. For every community. Join us.

#### **WHAT: Goals - Our plan to deliver:**

**SUPPORT:** Enabling each other to make a bigger difference

We exist to make life easier - so that charities and volunteers can focus on making a difference. We'll bring members together to find solutions to common problems.

We will:

- provide practical support on the things that organisations rely on, such as funding, staff and HR, recruiting and managing volunteers, leadership and management;
- harness our sector's collective power; pushing for the best possible environment for charities and volunteering to thrive;
- create spaces to explore and discuss the complex challenges we face, and together make the changes we would like to see in the world around us.

**AMPLIFY:** Speaking up with charities and volunteers

Every day, charities make a difference to millions of lives. Demonstrating the strength and breadth of our sector, we'll work tirelessly to ensure that both the public and decision makers recognise the essential role that charities and volunteers play.

We will:

- influence the national conversation about the role of charities and volunteers;
- work with our members to build stronger relationships with decision makers;
- build on the strong evidence base we have already, ensuring that the stories of all our members are heard, and not just those with the loudest voices.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### CONNECT: Uniting people who want charities to thrive

We are stronger as a sector when we come together. Charities and volunteers need a support system that can grow and sustain voluntary action. We will focus on strong relationships at the core of what we do.

We will:

- convene and create connections across our membership and networks to facilitate learning, collaboration and the development of ideas;
- work with organisations large and small, from every corner of the country and every part of the sector, recognising their different and complementary strengths;
- strengthen our partnerships with local and national infrastructure, working together on the things that matter to our members;
- put NCVO members at the heart of everything we do, taking a more collective approach and involving people wherever there is insight and ambition. With fewer resources available, NCVO will need to be more adaptable, more efficient and work with others to achieve our ambitious strategy.

### EVOLVE: Embedding new ways of working

We:

- work collaboratively and openly to ensure that we are building on the best insight, evidence and good practice, and be more open about our successes and failures;
- continually adapt our approach to supporting charities and volunteers;
- increase our reach and meet changing needs through digital and through stronger partnerships;
- support our people to thrive in their roles and deliver our ambitious strategy, whether working from home, in the office, based with our members or in communities;
- become a more diverse, equal and inclusive organisation.

### HOW: Values - How we behave and communicate

**Be Ambitious.** We are ambitious for charities and volunteers as our society recovers and rebuilds, in the knowledge that they continue to provide essential support to communities across the country.

**Be Collaborative.** We work with our members and with the people and organisations who want charities and volunteering to thrive.

**Be Open.** We are open about how we work and how we make decisions, and the things we learn along the way.

**Be Inclusive.** We are inclusive of all voices, bringing the experience and insights of our diverse membership to shape what we do and how we work.

## Report of the trustee board (continued)

For the year ended 31 March 2021

# Financial review

The year to 31 March 2021 represented a challenging year as for many charities, given the effect of Covid-19 restrictions.

## Income

Total income of £7.5million was a decrease on the preceding year (£9.1million) due to the impact of Covid-19 restrictions. NCVO continues to generate income from a diverse range of sources. The main source of income from donations and legacies is £1.8million from the Charities Aid Foundation (CAF), which was similar to last year. Income from charitable activities of £3.9million was similar to the previous year. Income from trading activities has reduced from £3.3million to £1.2million, mainly due to the fall in income from our conference facilities due to Covid-19 restrictions. We also benefitted from £439,000 from the governments Job Retention Scheme.

## Expenditure

Total expenditure decreased to £7.4million (2020: £8.8million). This reflects the reduction in expenditure due to both Covid-19 restrictions in areas such as catering as well as reducing costs where possible in light of decreased income. We continued the planned investment from reserves during the year, which included continued investment in our digital products and services and our work on equity, diversity and inclusion.

## Funds

Net income of £0.6million for the year included a gain on investments of £0.5million (2020: loss of £0.3million). The actuarial loss on the defined pension scheme of £3.2million (2020: actuarial gain of £2.7million) resulted in a net decrease in funds of £2.6million (2020: net increase of £2.7million) and total funds at the end of the year of £4.9million (2020: £7.5million).

## Balance sheet

Fixed assets include the value of Society Buildings at £3.8million under the historical cost convention, being the original cost plus the cost of subsequent building works less depreciation. In June 2013 the building was valued at £14.25million on a 15-year sale-and-leaseback basis. Anecdotal evidence suggests that this value has increased since then. At the end of the year there was an outstanding loan of £1.7million secured on the building. The loan taken out in 2011 has a 20-year maturity with a five-year break in April 2026 and was renegotiated for a further renewable term of five years.

NCVO's defined benefit pension scheme was closed to future accrual on 31 March 2011. NCVO has been paying contributions under a deficit reduction plan agreed following the tri-annual valuation at 30 September 2016. The plan has an expected end date of 31 March 2029. Contributions in the year to 31 March 2021 were £0.4million (2020: £0.4million) plus scheme expenses. The latest tri-annual valuation at 30 September 2019 shows a reduced deficit of £3.4million. NCVO has agreed a revised deficit repayment plan with TPT Retirement Solutions, the trustees of the scheme, that sees a reduced contribution of £0.2million per annum from 1 April 2021, rising by 3% per annum each subsequent year, plus annual scheme expenses. The revised recovery plan has an end date of 31 December 2026.

The liability in respect of the defined pension scheme is recognised on the balance sheet at the present value of the defined obligation less the fair value of the plan assets at the reporting date and has been calculated by an

## Report of the trustee board (continued)

For the year ended 31 March 2021

independent, qualified actuary in accordance with Financial Reporting Standard 102 (FRS 102). This valuation at 31 March 2021 resulted in a deficit of £2.7million (2020: £1.2million surplus).

### Future financial planning

Like many other charities, NCVO's income has been hit hard by the measures put in place by the government to stop the spread of Covid-19. Income from our conference suite, consultancy services, face-to-face training and events have been significantly impacted. We have made use of the government's Job Retention Scheme, particularly for our conference suite staff, to mitigate some of the impact of lost income and have received funding from the National Lottery Community Fund's emergency Covid fund to ensure we can maintain our advice, support and conveying role to the sector during this difficult time.

We believe that NCVO's income will be impacted into the medium term as social distancing measures are relaxed. We commenced an organisation-wide restructure in October 2020 which concluded in January 2021. We have reduced our fixed cost base, have healthy reserves and are optimistic about some of our revenue generating activities returning in 2021/22.

## Report of the trustee board (continued)

For the year ended 31 March 2021

# Policies

## Investments

During the year to 31 March 2021, NCVO's investment portfolio was managed by UBS. Our investment policy aligns with our aim to be a sustainable and socially responsible organisation and our investment objective is to provide long-term capital and income growth.

The UBS approach starts with a negative screen then applies a positive screen that actively selects companies adopting best practice in areas such as supply chain

management, waste and carbon management, employee welfare and corporate governance. The aim of this approach is to create a portfolio of companies actively focused on managing their businesses sustainably.

UBS provides real-time, online information on performance of the portfolio and quarterly reports. In addition, UBS attends an Audit and Risk Committee meeting at least annually to discuss the performance of the portfolio, economic conditions and future requirements.

NCVO held an investment of 33% in Trustees Unlimited LLP, a joint venture between NCVO Trading Limited, Russam GMS and Bates Wells. This was transferred to Russam GMS Limited during the year on the basis set out in the partnership agreement. Trustees Unlimited LLP has been accounted for as an associate up to the date of transfer and included in the consolidated SOFA and balance sheet using the equity method.

## Reserves

The trustees have set a reserves policy that requires reserves to 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 2021, the reserves policy was reviewed, and, based on the risk analysis, a readily realisable reserves figure (i.e. the amount of unrestricted reserves after making allowance for restricted and designated funds as set out in note

16) of £2.5million was agreed to be necessary. The current level of free reserves is above this level as we have ended the year much better than originally expected at the start of the pandemic.

At 31 March 2021, NCVO's free reserves, which is equivalent to the general fund, were as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Total funds	4,897	7,490
Restricted funds	(248)	(415)
Designated funds	(3,621)	(4,237)
Pension fund	2,729	-
<b>Free reserves</b>	<b>3,757</b>	<b>2,838</b>

Designated funds (note 17) include a fixed asset fund, which represents funds that can only be realised on disposal of the fixed assets, and a range of allocations which will be spent over the next two years.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Fundraising policy

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in our accounts as 'donations and voluntary income'.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers or third parties. The day-to-day management of all income generation is delegated to the executive team, which is accountable to the trustees. The charity is not required by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have particular policies in relation to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

## Report of the trustee board (continued)

For the year ended 31 March 2021

# Remuneration statement

NCVO's inquiry into charity senior executive pay provided guidance for trustees on setting remuneration for senior executives. It also recommended that all charities with independently audited accounts should:

- adopt a remuneration policy;
- publish an annual statement explaining their charity's ethos and policy on remuneration;
- explain how this impacts on the delivery of their charitable purposes;
- report the actual remuneration, roles and names of individual highest-paid staff, as defined by the charity.

The inquiry recommended that the charity's remuneration statement should be included within its trustee annual report, in addition to the remuneration disclosures that charities are required to include as a note to their accounts.

## Our approach to pay

NCVO has around 90 staff. Salaries for the chief executive and directors are set and reviewed annually by NCVO's HR and Remuneration Committee, a sub-committee of our board of trustees. The HR and Remuneration Committee includes specialists with significant pay expertise and knowledge, especially of the charity sector.

All other staff salaries are set by the chief executive and directors. Salaries are arranged in organisation-wide pay bands, using comparisons with charities of our size in London and taking into account inflation, sector pay settlements and NCVO's financial position. Salaries are openly stated in job adverts.

NCVO is ambitious for the voluntary sector and we believe in recruiting high-calibre people to represent its interests. We also believe in rewarding staff fairly for the jobs that they do and fostering a positive working environment, and we believe our salaries and our terms and conditions reflect this.

NCVO is a London living-wage-accredited employer, meaning all our staff and contractors are paid at least the London living wage. Additionally, we believe in creating routes into charities for people who cannot afford to undertake unpaid 'internships', so we have established paid traineeships that provide people with the training and skills they need to establish successful careers, while rewarding them fairly for their work.

People are employed at NCVO on the basis of the specific skills that they bring to their particular role. For NCVO to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market where, not least as a result of NCVO's cross-cutting role, their skills are readily transferable to other organisations, both in the voluntary sector and in other sectors. Our staff pay scales are set with these factors in mind.

### (i) Chief executive and directors pay

NCVO's unique position in representing the whole of the voluntary sector means that the chief executive and directors require a breadth and depth of expertise that requires drawing from the best senior-level talent in a competitive market. They need to be able to command the respect of their peers among our members, from the smallest to the very largest charities, through their experience and their credibility. At the same time, we seek to keep salary costs under control.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### (ii) Benchmarking

Chief executive, director and staff pay levels are reviewed annually.

Chief executive and director pay is determined by the HR and Remuneration Committee. Its aim is to benchmark our senior management team salaries around the 25th centile, i.e. the lower end of larger national charities' pay levels, with a 7.5% tolerance. We believe this comparison with national charities reflects the nature of the skills that we need to recruit and retain.

Staff pay is reviewed by the chief executive and directors and negotiated on behalf of staff by NCVO's recognised union, Unite. Our aim is to pay at the 75th centile, i.e. the higher end compared with organisations of our size in terms of income and number of employees in the voluntary sector in London.

The same benefits, including pensions and terms and conditions, apply to the chief executive and directors as all other staff. We do not apply any form of performance-related pay, nor do we have a bonus scheme. We don't apply increments to staff salaries beyond one automatic increment after the first 12 months of service.

Each year the chief executive and directors participate in performance appraisals as part of the same feedback and appraisal scheme operated for all NCVO staff. In the case of the chief executive, this includes seeking detailed feedback from board members, colleagues and external contacts.

### (iii) 2020/21 chief executive and director pay levels

Name	Title	Annual salary 2020/21 £	Pension contributions 2020/21 £	Total remuneration 2020/21 £	Annual salary 2021/22 £
Karl Wilding	Chief executive <sup>1</sup>	125,997	12,449	138,446	-
Sarah Vibert	Interim chief executive (from 26 January 2021)	20,462	1,162	21,624	120,000
Sarah Vibert	Director of public policy and volunteering (from 2 January 2020 to 25 January 2021)	76,922	4,369	81,291	-
Susan Cordingley	Deputy CEO (from 11 November 2019 to 1 February 2021)	87,108	9,845	96,953	-
Megan Griffith Gray	Director of strategy and transformation (from 11 November 2019 to 31 March 2021)	76,153	7,512	83,665	-
Laura Crandley	Director of finance and services (from 19 January 2021)	18,681	1,101	19,782	92,306
Gavin Finch	Interim director of membership and engagement (from 22 March 2021)	2,588	147	2,735	89,298

<sup>1</sup> Karl Wilding was appointed chief executive on 17 September 2019 and stepped down as chief executive on 25 January 2021 to facilitate a smooth handover to the interim chief executive before leaving NCVO on 31 March 2021.

## Report of the trustee board (continued)

For the year ended 31 March 2021

Total remuneration figures are salary plus pension contributions. The information above excludes employer's national insurance contributions (NIC) which are included in the information in note 7. The chief executive and directors, like all NCVO staff, are also entitled to miscellaneous benefits, such as childcare vouchers, which have not been included here. Details of expenses for the chief executive and directors are given in note 8.

### (iv) Pay ratio

The ratio of our highest salary (£120,000) to our median salary (£38,145) is 3.2:1.

### (v) Pay awards

While they are separately determined, annual pay awards for the chief executive, directors and staff have always been at the same percentage level. Between 2011 and 2019 both the senior management team and staff received an annual 2% pay award, followed by a 2.7% pay award for 2019/20. There was no pay award in 2020/21 and none has yet been agreed for 2021/22.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Pay gap report

NCVO believes in equality of opportunity for all. Although NCVO employs fewer than 250 staff and is therefore not required to publish gender pay gap information, we have chosen to do so, along with our ethnicity pay gap and, for the first time, our disability pay gap information.

#### Gender pay gap

##### Median and mean hourly earnings

At 11 June 2021 the median and mean male and female hourly earnings were:

	Male hourly earnings 2021 £	Female hourly earnings 2021 £	Difference 2021 £	Pay gap 2021 %	Difference 2020 £	Pay gap 2020 %
Median	20.96	20.96	0	0	1.80	8
Mean	23.20	22.30	1	5	0.25	1

At 11 June 2021 the mean male and female hourly earnings by quartile were:

	Male hourly earnings 2021 £	Female hourly earnings 2021 £	Difference 2021 £	Pay gap 2021 %	Difference 2020 £	Pay gap 2020 %
Quartile 1	16.34	15.84	0.50	3	0.30	2
Quartile 2	18.60	18.99	(0.39)	(2)	(0.07)	(0.3)
Quartile 3	21.91	22.07	(0.16)	(1)	0.20	1
Quartile 4	32.29	33.56	(1.27)	(4)	(0.09)	(0.2)

The information shows that there has been a significant reduction in the median gender pay gap at 11 June 2021 compared to the previous year, the mean pay gap has increased by 4%. The median pay gap at 11 June 2021 was 0% (2020: 8%) and the mean pay gap 5% (2020: 1%). Seven of the ten members of the leadership team were female at 11 June 2021. There are very little mean pay gaps across any of the quartiles, and in some instances there is a positive pay gap.

##### Mean hourly earnings by grade

Gender pay gap data by grade shows that NCVO pays men and women on the same grades the same salary for the work they do. Small differences are due to new starting at an entry point on recruitment and move to the grade point only after their first year of employment. There will also be some additional responsibility payments for a small number of individuals.

	Male hourly f/t earnings 2021 £	Female hourly f/t earnings 2021 £	Difference 2021 £	Pay gap 2021 %	Difference 2020 £	Pay gap 2020 %
CEO / directors	49.06	58.33	(9.27)	(16)	14.30	22
Grade A	33.06	32.76	0.30	1	-	-
Grade B	28.96	27.24	1.72	6	1.09	4
Grade C	23.54	24.20	(0.66)	(3)	0.02	0.1
Grade D	20.96	20.87	0.09	0.4	(0.03)	(0.2)

## Report of the trustee board (continued)

For the year ended 31 March 2021

	Male hourly f/t earnings 2021 £	Female hourly f/t earnings 2021 £	Difference 2021 £	Pay gap 2021 %	Difference 2020 £	Pay gap 2020 %
Grade E	17.52	17.80	(0.28)	(2)	(0.47)	(4)
Grade F	13.62	16.27	(2.65)	(16)	-	-
Catering assistant supervisor*	-	13.49	-	-	-	-
Catering assistant deputy supervisor*	-	12.44	-	-	-	-
Trainee*	-	-	-	-	1.32	10
Apprentice*	-	10.85	-	-	-	-

\* No male staff at this grade at 11 June 2021.

Like many employers in the voluntary sector, NCVO employs more women than men but there are proportionately more women than men in lower grades and in part-time roles. We have a range of family-friendly and flexible working policies to support parents and carers. This includes supporting parents to take time off to have or raise children and to assist with their return to work. We offer enhanced maternity pay and shared parental pay. We have flexible working hours and encourage and support remote working. NCVO is proud of its flexible, family-friendly employment policies and practices.

For the reporting period, there has been a headcount reduction. At 11 June 2021, NCVO employed 56 people that identify as female and 22 people that identify as male. 72% of NCVO employees identify as female which accounts for the change in gender pay since the previous reporting period.

### Ethnicity and disability pay gap

36% of employees identify themselves as Black, Asian and Minority Ethnic (BAME); this is a 5% increase from the previous reporting period (2020: 31% BAME employees). There is still a higher proportion of BAME employees in the lower grades in the organisation, however, there has been a positive increase in BAME employees at mid-grade roles at NCVO. This means that BAME employees earn on average 16% less than non-BAME employees – this is a decrease by 4% on the previous reporting period.

For the first time NCVO is reporting on its disability pay gap to demonstrate a firm commitment to being an employer that recognises the importance of equity and inclusion and the benefits that having a diverse workforce brings to the organisation.

11% of employees identify themselves as disabled as defined by the Equality Act 2010. The average pay gap between disabled and non-disabled employees is 10% and the median pay gap is 17%. As this is the first time that NCVO is reporting on this data there is no available data to draw a comparison on previous years.

The trustees and leadership team are committed to addressing the ethnicity and disability pay gaps at NCVO. Since January 2020, NCVO has been undertaking a detailed piece of work focussing on equity, diversity and inclusion (EDI). The first stage of this work, which concluded in summer 2020, was to understand how the culture and environment at NCVO can exclude or marginalise particular groups. Following the restructure we have put in place a

## Report of the trustee board (continued)

For the year ended 31 March 2021

new people and culture team who will enable us to move towards a culture that embraces and empowers difference. The work in this area will be supported by an independently chaired EDI sub-committee. In relation to the BAME and disability pay gaps specifically, actions to address this will include reviewing our recruitment practices and work to attract and retain more people from under-represented communities to work at NCVO, particularly in the higher grades. Ahead of this, we are also focussing on creating a more inclusive culture and modernising internal policies.

	<b>BAME pay gap 2021</b>	<b>BAME pay gap 2020</b>
	<b>%</b>	<b>%</b>
<b>Median</b>	14	25
<b>Mean</b>	16	20

### Proportion of BAME and non BAME at each grade

	<b>BAME 2021</b>	<b>Non BAME 2021</b>	<b>BAME 2020</b>	<b>Non BAME 2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>CEO / directors</b>	-	100	-	100
<b>Grade A</b>	33	67	-	100
<b>Grade B</b>	25	75	36	64
<b>Grade C</b>	27	73	17	83
<b>Grade D</b>	25	75	29	71
<b>Grade E</b>	50	50	47	53
<b>Grade F</b>	33	67	75	25
<b>Catering assistant supervisor</b>	100	-	100	-
<b>Catering assistant deputy supervisor</b>	100	-	-	-
<b>Trainee</b>	-	-	100	-
<b>Apprentice</b>	100	-	-	-

### Disability mean and median hourly earnings and pay gap

	<b>2021</b>
Non-disabled hourly earnings mean	£22.29
Disabled hourly earnings mean	£24.83
Difference	£2.54
<b>Mean pay gap</b>	<b>10%</b>

Non-disabled staff hourly earnings median	£20.96
Disabled staff hourly earnings median	£25.29
Difference	£4.33
<b>Median pay gap</b>	<b>17%</b>

### Proportion of disabled and non-disabled at each grade

	<b>Disabled 2021</b>	<b>Non-disabled 2021</b>
	<b>%</b>	<b>%</b>
<b>CEO / directors</b>	-	100
<b>Grade A</b>	17	83
<b>Grade B</b>	25	75
<b>Grade C</b>	18	82
<b>Grade D</b>	13	87

## Report of the trustee board (continued)

For the year ended 31 March 2021

	<b>Disabled 2021 %</b>	<b>Non-disabled 2021 %</b>
<b>Grade E</b>	4	96
<b>Grade F</b>	-	100
<b>Catering assistant supervisor</b>	-	100
<b>Catering assistant deputy supervisor</b>	-	100
<b>Apprentice</b>	-	100

This report shows that there is still a pay gap disadvantage for our employees that identify as BAME and for some pay grades for our employees that identify as female. We are pleased about the positive disability pay gap but recognise we have work to do to ensure that the diversity of our staff group reflects society more widely in respect of disability.

Earlier this year, NCVO published our commitment to improving our culture for all employees following a report on the culture and experiences of our employees past and present. There are a number of areas to be addressed such as the creation and implementation of an equity, diversity and inclusion strategy that will improve areas such as the pay gaps identified in this report.

## Report of the trustee board (continued)

For the year ended 31 March 2021

### Future plans

In February 2021 we publicly launched our new strategy. Due to the impacts of the pandemic on our strategy process this was a delay of four months from our original schedule. In many ways our new strategy is evolution, not revolution. In terms of what we will do, with reducing income and a smaller staff team mean we must inevitably do less, but with focus and much will remain familiar. Our focus on providing high quality practical support and guidance will continue, we will keep pushing for the best possible environment for charities and volunteering. An increase in focus will be on amplifying our members to make sure the essential role charities play is recognised by the public and decision-makers.

The biggest changes will be in how we do things. Here we are guided by the principle of being member focused. This means a far greater focus on understanding the challenges and ambitions of members, and continually developing our offer in response.

Making connections is another core principle for our future. We want joining NCVO to feel like joining a community and will focus more on building networks across our membership, creating events that bring diverse members together to learn, share, connect and collaborate.

In January Karl Wilding made the decision to step down as chief executive. Appointing our new CEO will be a key priority for the board of trustees in the year ahead. We are determined to find the right candidate for the NCVO that is emerging in 2021. Someone who shares our new values and who can continue to deliver the new strategy we have developed with our members. While we work through the process of selection for the new permanent chief executive Sarah Vibert will continue as interim chief executive.

## Report of the trustee board (continued)

For the year ended 31 March 2021

# Principal risks and uncertainties

The risk register is a standing item on the agenda at each trustee board meeting. It is reviewed quarterly by the leadership team and twice a year by the audit and risk committee.

Risks are considered in six key areas: strategy, governance and management; operational; financial; environmental and external; legal and statutory; people. 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.

External and strategic risks include adverse publicity in the media, including blogs and social media, the risk of being perceived to have political bias and a risk of relationships with politicians, officials and other infrastructure organisations breaking down. Such eventualities would jeopardise our crucial role in promoting the interests of the voluntary sector. The main financial risks relate to our ability to sustain income streams as a result of the immediate and medium term impact of Covid-19 on NCVO and the wider sector. Key governance, operational and people risks include the impact of sustained remote working on: ensuring robust and appropriate strategic and operational decision making; supporting staff health and wellbeing; ensuring our systems remain secure.

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

In respect of financial risk, the trustees have carefully considered the impact of Covid-19 on NCVO's future financial projections alongside the existing and projected level of reserves, the value of the freehold building and the actions taken and planned by the leadership team, the trustees consider that NCVO has adequate resources to continue to operate for the foreseeable future.

## Trustee board members

The members of the trustee board, who are also directors under the terms of the Companies Act 2006, are set out on page 3. 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, the leadership 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 year end there were 16,457 members.

## 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 UK accounting standards (UK 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any

## Report of the trustee board (continued)

For the year ended 31 March 2021

material departures disclosed and explained in the financial statements; and

- 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 UK 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the trustee board and signed on their behalf

Dr Priya Singh  
Chair

10 September 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COUNCIL FOR VOLUNTARY ORGANISATIONS**

### **Opinion**

We have audited the financial statements of National Council for Voluntary Organisations (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Report of the Trustee Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustee Board. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements,

## Auditor's report

we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustee Board, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' annual report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of the Trustee Board's 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 group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

## Auditor's report

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the accounting for the defined benefit pension scheme liability. We addressed this through review of the actuary report prepared by management's expert, testing the reasonableness of inputs to their calculation, and challenging assumptions applied in the valuation.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- We also identified potential for management bias in the depreciation rate applied to tangible fixed assets, and we addressed this by considering the useful economic life applied for the types of asset held, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also

## Auditor's report

greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Alastair Duke (Senior Statutory Auditor)**

**For and on behalf of PKF Littlejohn LLP**

**Statutory Auditor**

15 Westferry Circus

Canary Wharf

London

E14 4HD

Date: 10 September 2021

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities for the Group  
(including income and expenditure account)

For the year ended 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
<b>Income</b>					
Donations and legacies	2	2,255	-	2,255	1,759
Charitable activities:	3				
Membership subscriptions		1,192	-	1,192	1,194
Advisory services and information		543	840	1,383	1,577
Campaigns and communications		73	227	300	12
Education and training		415	-	415	1,028
Policy		8	201	209	2
Research		35	119	154	127
Other		273	-	273	
Other trading activities	4	1,249	-	1,249	3,298
Investments	5	75	-	75	91
<b>Total income</b>		<b>6,118</b>	<b>1,387</b>	<b>7,505</b>	<b>9,088</b>
<b>Expenditure</b>	6				
Raising funds		822	26	848	1,315
Charitable expenditure:					
Advisory services and information		1,700	1,135	2,835	3,499
Campaigns and communications		1,720	228	1,948	1,763
Education and training		625	16	641	884
Policy		461	15	476	535
Research		332	134	466	577
Other: Centenary, digital, EDI and strategy		207	-	207	274
<b>Total expenditure</b>		<b>5,867</b>	<b>1,554</b>	<b>7,421</b>	<b>8,847</b>
Net income / (expenditure) before investment gain / (loss)		251	(167)	84	241
Net gain / (loss) gain on investment	10	518	-	518	(276)
<b>Net income / (expenditure)</b>		<b>769</b>	<b>(167)</b>	<b>602</b>	<b>(35)</b>
<b>Other recognised gains / (losses)</b>					
Share of operating profit of joint ventures		12	-	12	(20)
Actuarial (loss) / gain on defined benefit scheme	19	(3,207)	-	(3,207)	2,745
<b>Net movement in funds</b>		<b>(2,426)</b>	<b>(167)</b>	<b>(2,593)</b>	<b>2,690</b>
Total funds at 1 April 2020		7,075	415	7,490	4,800
<b>Total funds at 31 March 2021</b>	17	<b>4,649</b>	<b>248</b>	<b>4,897</b>	<b>7,490</b>

The statement of financial activities (SOFA) includes all gains and losses recognised in the year. Disclosure of the split of 2020 comparatives is shown in the notes to the accounts. Total unrestricted income was £6.1million (2020: £8.3million) and total unrestricted expenditure was £5.9million (2020: £8million). Movements in funds are disclosed in note 17 to the financial statements. The net movement in funds includes £0.4million of unrealised investment gains. Net realised income for the year was £0.1million (2020: net income £0.2million).

The accounting policies and notes on pages 48 to 75 form part of these financial statements.

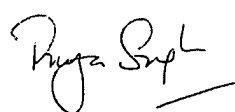
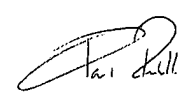
# Group and charity balance sheet

As at 31 March 2021

		Consolidated	Consolidated	NCVO	NCVO
	Notes	2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	9	4,973	5,276	4,973	5,276
Investments	10	2,856	2,234	2,856	2,234
Investment in joint ventures – share of gross assets		-	10	-	-
Investment in joint ventures – share of gross liabilities		-	(10)	-	-
Net investment in joint ventures		-	-	-	-
		<b>7,829</b>	<b>7,510</b>	<b>7,829</b>	<b>7,510</b>
<b>Current assets</b>					
Stocks	11	2	4	2	4
Debtors	12	1,190	1,756	1,362	2,461
Cash at bank and in hand		2,758	2,764	2,409	1,810
		<b>3,950</b>	<b>4,524</b>	<b>3,773</b>	<b>4,275</b>
<b>Creditors:</b> amounts falling due within one year	13	(2,476)	(2,880)	(2,299)	(2,631)
<b>Net current assets</b>		<b>1,474</b>	<b>1,644</b>	<b>1,474</b>	<b>1,644</b>
<b>Total assets less current liabilities</b>		<b>9,303</b>	<b>9,154</b>	<b>9,303</b>	<b>9,154</b>
<b>Creditors:</b> amounts falling due after one year	14	(1,677)	(1,664)	(1,677)	(1,664)
<b>Net assets excluding pension liability</b>		<b>7,626</b>	<b>7,490</b>	<b>7,626</b>	<b>7,490</b>
Defined benefit pension scheme liability	19	(2,729)	-	(2,729)	-
<b>Net assets</b>		<b>4,897</b>	<b>7,490</b>	<b>4,897</b>	<b>7,490</b>
<b>Funds</b>					
<b>Restricted funds</b>		248	415	248	415
<b>Unrestricted funds</b>					
Pension reserve		(2,729)	-	(2,729)	-
Designated funds		3,621	4,237	3,621	4,237
General funds		3,757	2,838	3,757	2,838
<b>Total funds</b>	16	<b>4,897</b>	<b>7,490</b>	<b>4,897</b>	<b>7,490</b>
NCVO net movement in funds for the year				(2,593)	2,709

The accounting policies and notes on pages 48 to 75 form part of these financial statements.

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

Dr Priya Singh  
Chair  
10 September 2021

Paul Breckell  
Honorary Treasurer  
10 September 2021

# Statement of cashflows

For the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash (used) / provided by operating activities</b>	18	(14)	(19)
<b>Cash flows from investing activities</b>			
Dividends and interest		73	91
Cash received from joint ventures		12	-
Purchase of fixed assets		(37)	(348)
Proceeds from sale of investments		1,231	1,657
Cash invested following wind up of Trusts		97	-
Purchase of investments		(1,307)	(1,677)
<b>Net cash provided / (used by) by investing activities</b>		<b>69</b>	<b>(277)</b>
<b>Cash flows from financing activities</b>			
Repayment of loan (capital and interest)		(33)	(131)
<b>Net cash used by financing activities</b>		<b>(33)</b>	<b>(131)</b>
 Change in cash and cash equivalents in the year		 22	 (427)
Cash and cash equivalents at the beginning of the year		2,802	3,229
<b>Cash and cash equivalents at the end of the year</b>		<b>2,824</b>	<b>2,802</b>
 <b>Analysis of cash and cash equivalents</b>			
		<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand		2,758	2,764
Cash held in investment portfolio	10	66	38
<b>Total cash and cash equivalents</b>		<b>2,824</b>	<b>2,802</b>

The accounting policies and notes on pages 48 to 75 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2021

## 1 Accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the United Kingdom and the Republic of Ireland, the Charities' Statement of Recommended Practice (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going-concern basis. Having carefully considered the impact of Covid-19 on NCVO's future financial projections alongside the existing and projected level of reserves, the value of the freehold building and the actions taken and planned by the leadership team, the trustees consider that NCVO has adequate resources to continue to operate for the foreseeable future.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS102: no cash flow has been presented for the parent charity; disclosure in respect of the parent charity's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

#### a) Income

Legacies are recognised 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 and an estimate of its value has been included in the accounts.

Income from donations and grants is credited to the SOFA when there is evidence of entitlement, receipt is probable and its amount can be measured reliably, unless it relates to a specific future period, in which case it is deferred.

Where 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.

Income from sales is included in the SOFA in the year in which the goods or service is supplied.

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

#### b) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that reflect the charity's activities and aggregates all costs related to that activity. Costs are allocated across activities and projects based on judgements about the objectives and related outcomes of the activities and projects. Expenditure on which there is irrecoverable VAT is shown within each relevant cost category gross of VAT.

## Notes to the financial statements

For the year ended 31 March 2021

### i) Raising funds

Costs of raising funds includes expenditure in relation to staff members who are directly engaged in business development, the conference suite and the related costs, as well as anticipated costs in relation to the legacy property.

### ii) Charitable expenditure

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

#### 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. Governance costs are allocated to the categories of charitable expenditure on the basis of staff numbers.

#### Support costs

Costs relating to support services are identified and a proportion allocated to the charitable activities and projects that NCVO undertakes. Support costs are allocated on the basis of staff numbers.

Other costs are allocated on the basis of staff time, staff numbers or area, as relevant.

#### Grant making

Costs of grant making are included within charitable expenditure 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.

### iii) Other costs

Other costs directly relate to a specific activity or are support costs allocated on the basis of staff time, staff numbers or area, as relevant.

## c) Fund accounting

The charity maintains the following funds:

### i) Restricted funds

Restricted funds represent grants, donations and legacies received, which the donor has provided for specified 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 the trustees for particular purposes.

## Notes to the financial statements

For the year ended 31 March 2021

### d) 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. No depreciation is charged on freehold land. We estimate that 55% of the original purchase price related to the land and 45% to the buildings. The rates of depreciation applied to other assets are:

Freehold building	50 years
CRM system	5 years
Other computer equipment	3 years
Fixtures and fittings	10 years
Plant and equipment	20 years

### e) Investments

Quoted investments are valued at bid price and stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA.

### f) Operating leases expenditure

Gross rentals paid are recognised as lease rental expenses. Rentals are charged to the SOFA, over the term of the lease.

### g) 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.

### h) Debtors

Debtors are recognised at the settlement amount due. Accrued income reflects amounts due but not received at the balance sheet date from funders and partners. Prepayments reflect costs paid at the balance sheet date that relate to future periods and are valued at the amount paid net of any discounts due.

### i) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a maturity date of three months from the date of acquisition or opening of the deposit or similar account or which mature within three months of the balance sheet date.

### j) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

### k) Employee benefits

#### i) Short-term benefits

## Notes to the financial statements

For the year ended 31 March 2021

Short-term benefits including holiday pay are recognised as an expense in the period in which the service was received.

### ii) Post-retirement benefits

The charity operates two pension schemes.

#### Defined contribution scheme

Staff are currently opted into a defined contribution scheme administered by Aviva. The assets in this scheme are held separately from the charity in an independent fund administered by Aviva. 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.

#### Defined benefit scheme

NCVO's defined benefit scheme was closed to future accrual on 31 March 2011. The liability recognised on the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation less the fair value of the plan assets at the reporting date and has been calculated by an independent, qualified actuary in accordance with FRS 102.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the SOFA each year.

The annual costs of the defined benefit plan are included in employee costs and allocated across the expenditure headings on the SOFA. These comprise the annual expenses of the scheme and the finance costs.

### I) Consolidation

Consolidated financial statements 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, a separate SOFA for the charity has not been presented.

NCVO Trading Limited held 33% of the shares in Trustees Unlimited LLP. NCVO Trading Limited transferred its interest in Trustees Unlimited LLP to fellow member, Russam GMS Limited in January 2021 for consideration in line with the partnership agreement. 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. Trustees Unlimited LLP, which has an accounting reference date of 31 March, has been accounted for as an associate up until the date of transfer and included on the SOFA and balance sheet using the equity method.

## Notes to the financial statements

For the year ended 31 March 2021

### 2 Donations and legacies

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000
Donations through Charities Aid Foundation	1,773	-	1,773	1,752	-	1,752
Legacy	350	-	350	-	-	-
Closure of trusts administered by NCVO	106	-	106	-	-	-
Wolfson Foundation	25	-	25	-	-	-
Other donations and voluntary income	1	-	1	3	4	7
<b>Total</b>	<b>2,255</b>	<b>-</b>	<b>2,255</b>	<b>1,755</b>	<b>4</b>	<b>1,759</b>

### 3 Charitable activities

	Membership subscriptions, conference delegate fees and charitable purpose contracts 2021 £'000	Unrestricted grants and sponsorships 2021 £'000	Restricted grants 2021 £'000	Total 2021 £'000
Membership subscriptions	1,192	-	-	1,192
Advisory services and information	432	111	840	1,383
Campaigns and communications	-	73	227	300
Education and training	390	25	-	415
Policy	-	8	201	209
Research	21	14	119	154
Other	-	273	-	273
<b>Total</b>	<b>2,035</b>	<b>504</b>	<b>1,387</b>	<b>3,926</b>

	Membership subscriptions, conference delegate fees and charitable purpose contracts 2020 £'000	Unrestricted grants and sponsorships 2020 £'000	Restricted grants 2020 £'000	Total 2020 £'000
Membership subscriptions	1,194	-	-	1,194
Advisory services and information	898	5	674	1,577
Campaigns and communications	-	22	(10)	12
Education and training	920	108	-	1,028
Policy	1	1	-	2
Research	35	7	85	127
<b>Total</b>	<b>3,048</b>	<b>143</b>	<b>749</b>	<b>3,940</b>

# Notes to the financial statements

For the year ended 31 March 2021

## 3 Charitable activities – grant and project income

	<b>Total funds 2021 £'000</b>	<b>Total funds 2020 £'000</b>
<b>Unrestricted</b>		
HMRC – job retention scheme	439	-
Pears Foundation	20	-
Zurich Insurance – various	18	45
Ruffer Investment Management LLP – conferences	-	19
Phoenix Software – website	18	18
Phoenix Software – trustee conference	6	6
Other unrestricted income under £15,000	3	55
<b>Total unrestricted</b>	<b>504</b>	<b>143</b>
<b>Restricted</b>		
National Lottery Community Fund – Covid-19 support	998	-
Department of Health – Health and Wellbeing Alliance core grant	80	50
National Lottery Community Fund – Safeguarding training fund	-	108
National Lottery Community Fund – Digital fund	-	374
Esmee Fairbairn Foundation – Digital content project	57	-
Department of Health and Social Care – VCSE data and intelligence sharing	40	-
National Lottery Community Fund – Trusted Charity Mark in Wales	38	50
Lloyds Bank Foundation for England and Wales – Collaboration between small and large organisations in public service delivery	10	59
Trafigura Foundation - NCVO Charities Evaluation Services	17	-
New Philanthropy Capital – NCVO Charities Evaluation Services	10	25
Barrow Cadbury – Governance Code	6	-
Economic and Social Research Council – Data entry	40	40
Esmee Fairbairn Foundation - Classifying the register	17	-
Nottingham Trent University - Covid-19 and VCSE organisations response	29	-
Third Sector Resources Centre, University of Birmingham - Assessing financial vulnerability and risk in the UK's charities during and beyond the Covid crisis	18	-
Institute of Volunteering Research - Mobilising voluntary action during and beyond the Covid crisis	15	-
Sport England – Family volunteering research	-	20
Pears Foundation – Family volunteering research	-	15
Scout Association – Family volunteering research	-	10
Joseph Rowntree Charitable Trust – Constructive Voices	-	(10)
CAST, acting on behalf of the Catalyst network – Digital	12	6
Other grants under £15,000 (not requiring separate disclosure)	-	2
<b>Total restricted</b>	<b>1,387</b>	<b>749</b>
<b>Total grants and project income</b>	<b>1,891</b>	<b>892</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 4 Other trading activities (all unrestricted)

	2021	2020
	£'000	£'000
Conference suite hire	29	1,922
Fees for services	595	704
Quality standards	313	391
Brokered services	301	267
Publications	11	14
<b>Total</b>	<b>1,249</b>	<b>3,298</b>

### 5 Investments (all unrestricted)

	2021	2020
	£'000	£'000
Dividends and interest	75	91

### 6 Expenditure

	Staff costs	Premises costs	Grant making	Support costs	Other expenses	Governance costs	Total
	2021	2021	2021	2021	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	597	40	-	71	126	14	848
<b>Charitable expenditure:</b>							
Advisory services and information	1,809	99	53	182	652	40	2,835
Campaigns and communications	1,484	81	-	149	201	33	1,948
Education	382	22	-	41	187	9	641
Policy	394	21	-	39	13	9	476
Research	324	20	-	38	76	8	466
Other	7	60	5	-	135	-	207
<b>Total</b>	<b>4,997</b>	<b>343</b>	<b>58</b>	<b>520</b>	<b>1,390</b>	<b>113</b>	<b>7,421</b>

# Notes to the financial statements

For the year ended 31 March 2021

## 6 Expenditure (continued)

	Staff costs	Premises costs	Grant making	Support costs	Other expenses	Governance costs	Total
	2020	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	904	41	-	95	251	24	1,315
<b>Charitable expenditure:</b>							
Advisory services and information	1,823	105	328	253	925	65	3,499
Campaigns and communications	1,206	66	-	159	291	41	1,763
Education	386	23	-	57	404	14	884
Policy	377	24	21	54	46	13	535
Research	392	23	5	56	87	14	577
Other	166	16	-	18	69	5	274
<b>Total</b>	<b>5,254</b>	<b>298</b>	<b>354</b>	<b>692</b>	<b>2,073</b>	<b>176</b>	<b>8,847</b>

'Other expenses' include commissioning £1.2million (2020: £1.4million), equipment / IT £0.3million (2020: £0.3million) and office costs £0.2million (2020: £0.4million). Commissioning includes fees paid to associates and quality assurance assessors, as well as amounts for technology development.

Support costs are made up of the following expenditure:

	2021	2020
	£'000	£'000
Accommodation costs	195	339
Travel costs	6	15
Telephone, printing, postage and stationery	46	82
Equipment and IT costs	110	143
Professional fees and consultancy	162	89
Other overheads	1	24
<b>Total</b>	<b>520</b>	<b>692</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 6 Expenditure – grants and partnership payments

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

	<b>Total funds 2021 £'000</b>	<b>Total funds 2020 £'000</b>
<b>Trusted charity in Wales</b>		
WCVA	33	49
	<b>33</b>	<b>49</b>
<b>Health and wellbeing</b>		
NAVCA	5	-
Friends Families Travellers	4	-
Citizens Advice	4	-
Voluntary Sector Mental Health Providers Forum	4	-
Men's Health forum	3	-
	<b>20</b>	<b>-</b>
<b>Baobab Foundation</b>		
Hackney Council for Voluntary Services	5	-
	<b>5</b>	<b>-</b>
<b>Safeguarding training fund</b>		
NSPCC	-	105
Ann Craft Trust	-	77
UK Youth	-	68
Children England	-	14
ACRE	-	5
Foundation for Social Improvement	-	5
NAVCA	-	5
	<b>-</b>	<b>279</b>
<b>Rebalancing the Relationship</b>		
ACEVO	-	21
	<b>-</b>	<b>21</b>
<b>Local Trust</b>		
University of Birmingham	-	5
	<b>-</b>	<b>5</b>
<b>Total grants and partnership fees paid</b>	<b>58</b>	<b>354</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 7 Employees

	2021	2020
	£'000	£'000
Wages and salaries	3,879	4,017
Social security	378	408
Pension costs	376	432
Redundancy costs	339	30
Temporary staff and staff training	92	478
<b>Total</b>	<b>5,064</b>	<b>5,365</b>

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

	2021	2020
	number	number
Generating funds	12	13
Advisory services and information	31	34
Campaigns and communications	25	21
Education and training	7	8
Policy	7	7
Research	6	7
Other	-	2
<b>Total</b>	<b>88</b>	<b>92</b>

The number of employees whose benefits were over £60,000 during the year (excluding employer pension contributions but including redundancy and payments in lieu of notice) was:

	2021	2020
	number	number
£60,001–£70,000	6	2
£70,001–£80,000	2	-
£80,001–£90,000	1	-
£90,001–£100,000	1	1
£100,001–£110,000	1	2
£110,001–£120,000	1	-
£120,001–£130,000	-	1
£150,001–£160,000	1	-

All 13 of the above staff are members of the defined contribution pension scheme (2019: 5). None are currently paying contributions into the defined benefit scheme. The pension costs for these employees are £72,720 (2020: £34,080).

## Notes to the financial statements

For the year ended 31 March 2021

Of the employees included above in the bands over £60,000 in 2020/21, 6 people are included due to termination payments. Overall, there were termination payments totalling £326,387 to 21 people (2019/20: £33,314 to 1 person) following a restructure.

We have complied with our published guidance for trustees on setting pay for senior staff in charities. In addition to the regulatory requirement to publish the number of employees in pay bands over £60,000 and to publish the total employee benefits received by key management personnel, we also publish the names, roles and remuneration of our chief executive and directors, along with an explanation of how we set salaries for these roles and other NCVO staff. These details for 2020/21 are included in the trustees' report. The amounts paid to the chief executive and directors during 2020/21 were:

		Termination payments							
		Salary £	Employer's NIC £	Pension contrib- utions £	Redun- dancy £	Payment in lieu of notice £	Other £	Total 2020/21 £	Total 2019/20 £
Karl Wilding	Chief Executive <sup>1</sup>	125,997	14,464	12,449	-	-	27,700	180,610	77,634
Karl Wilding	Director of public policy & volunteering (to 16 September 2019)	-	-	-	-	-	-	-	50,936
Sarah Vibert	Interim chief executive (from 26 January 2021)	20,462	2,622	1,162	-	-	-	24,246	-
Sarah Vibert	Director of public policy and volunteering (from 2 January 2020 to 25 January 2021)	76,922	9,605	4,369	-	-	-	90,896	27,275
Susan Cordingley	Deputy CEO (from 11 November 2019 to 1 February 2021)	87,108	13,476	9,845	-	22,455	-	132,884	46,071
Susan Cordingley	Director of planning and resources (to 10 November 2019)	-	-	-	-	-	-	-	67,544
Megan Griffith Gray	Director of strategy and transformation (from 11 November 2019 to 31 March 2021)	76,153	9,488	7,512	35,515	-	-	128,668	34,742
Laura Crandley	Director of finance and services (from 19 January 2021)	18,681	2,235	1,101	-	-	-	22,017	-

## Notes to the financial statements

For the year ended 31 March 2021

		Termination payments						Total 2020/21 £	Total 2019/20 £
		Salary £	Employer's NIC £	Pension contrib- utions £	Redun- dancy £	Payment in lieu of notice £	Other £		
Gavin Finch	Interim director of membership and engagement (from 22 March 2021)	2,588	357	147	-	-	-	3,092	-
Sir Stuart Etherington	Chief executive (to 31 December 2019)	-	-	-	-	-	-	-	123,071
Richard Williams	Director of enterprise and development (to 31 December 2019)	-	-	-	-	-	-	-	147,089

<sup>1</sup>Karl Wilding was appointed chief executive on 17 September 2019 and stepped down as chief executive on 25 January 2021 to facilitate a smooth handover to the interim chief executive before leaving NCVO on 31 March 2021.

The above table covers a period of transition for the organisation so includes previous incumbents, interim roles within the senior management team which were put in place in November 2019 and the new team which is now in place. Sarah Vibert is currently interim chief executive whilst we recruit a new permanent chief executive.

## Notes to the financial statements

For the year ended 31 March 2021

### 8 Net income for the year

This is stated after charging:

	2021 £'000	2020 £'000
Auditor's remuneration		
– audit fees	25	25
– other services	1	2
Depreciation	340	293
Bank charges	13	20
Bank interest – on building loan	33	45
Trustees' expenses	-	3

No members of the trustee board received any remuneration during the year (2020: Nil). 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 Charity Finance Group to gather information and evidence on the disclosure of expenses by registered charities in England and Wales, published in February 2010, NCVO decided to adopt enhanced voluntary disclosure of trustees' and senior management team expenses. Chief executive and directors expenses, together with total trustee expenses are summarised in the following table. These were incurred in accordance with budget and reflect the impact of Covid-19 restrictions during the year.

The majority of chief executive expenses in the table below relate to 2019/20. Travel and subsistence expenses reimbursed to one trustee in the period amounted to £153 (2020: £3,492 to ten trustees), including amounts paid directly by NCVO.

# Notes to the financial statements

For the year ended 31 March 2021

	Subsistence 2021 £	UK travel 2021 £	Entertaining / networking 2021 £	Overseas travel 2021 £	Other 2021 £	Total claimed 2021 £	Total claimed 2020 £
Chief executive's office	1,520	661	2,804	1,229	100	6,314	8,763
Director of public policy and volunteering	-	85	-	-	-	85	954
Director of planning and resources	-	-	-	-	-	-	337
Director of strategy and transformation	(237)	-	-	-	(9)	(246)	586
Director of enterprise and development	-	-	-	-	-	-	1,421
Director of finance and services	-	-	-	-	-	-	-
Director of membership and engagement	-	-	-	-	-	-	-
<b>Total</b>	<b>1,283</b>	<b>746</b>	<b>2,804</b>	<b>1,229</b>	<b>91</b>	<b>6,153</b>	<b>12,061</b>
<b>Trustees</b>	-	141	-	-	12	153	3,492

## 9 Tangible fixed assets (group and charity)

	Freehold land and buildings £'000	Plant and equipment £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>					
At 1 April 2020	4,919	965	1,934	2,044	9,862
Additions	-	-	35	2	37
Disposals	-	-	-	-	-
<b>At 31 March 2021</b>	<b>4,919</b>	<b>965</b>	<b>1,969</b>	<b>2,046</b>	<b>9,899</b>
<b>Depreciation</b>					
At 1 April 2020	1,093	334	1,433	1,726	4,586
Charge for the year	66	49	117	108	340
Disposals	-	-	-	-	-
<b>At 31 March 2021</b>	<b>1,159</b>	<b>383</b>	<b>1,550</b>	<b>1,834</b>	<b>4,926</b>
<b>Net book value</b>					
At 31 March 2020	3,826	631	501	318	5,276
<b>At 31 March 2021</b>	<b>3,760</b>	<b>582</b>	<b>419</b>	<b>212</b>	<b>4,973</b>

Freehold land and property are presented under the historical cost convention and are shown at original cost with an annual depreciation charge. We estimate that 55% of the cost of land and buildings related to land. In June 2013 the building was valued at £14.25million on a 15-year sale-and-leaseback basis.

## Notes to the financial statements

For the year ended 31 March 2021

### 10 Investments (group and charity)

	Listed £'000	Cash £'000	Total £'000
<b>Market value</b>			
At 1 April 2020	2,196	38	2,234
Purchase of investments	1,307	(1,307)	-
Sale of investments	(1,231)	1,231	-
Realised gains	96	-	96
Additional sum invested	-	97	97
Unrealised investment gain	422	-	422
Dividend income received	-	73	73
Dividend income transferred to Barclays	-	(48)	(48)
Investment management fees	-	(18)	(18)
<b>At 31 March 2021</b>	<b>2,790</b>	<b>66</b>	<b>2,856</b>

NCVO Trading Limited held 33% of the shares in Trustees Unlimited LLP. NCVO Trading Limited transferred its interest in Trustees Unlimited LLP to fellow member, Russam GMS Limited in January 2021 for consideration of £12,000 in line with the partnership agreement. 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. Trustees Unlimited LLP, which has an accounting reference date of 31 March, has been accounted for as an associate up until the date of transfer and included on the SOFA and balance sheet using the equity method.

### 11 Stocks (group and charity)

	2021 £'000	2020 £'000
Publications	2	4

### 12 Debtors

	Consolidated 2021 £'000	Consolidated 2020 £'000	NCVO 2021 £'000	NCVO 2020 £'000
Debtors	429	1,107	402	821
Accrued income	691	470	655	438
Amount due from subsidiary	-	-	239	1,024
Prepayments	70	179	66	178
<b>Total</b>	<b>1,190</b>	<b>1,756</b>	<b>1,362</b>	<b>2,461</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 13 Creditors: amounts falling due within one year

	Consolidated 2021 £'000	Consolidated 2020 £'000	NCVO 2021 £'000	NCVO 2020 £'000
Bank loan (secured – see note 14)	90	89	90	89
Taxation and social security	224	232	151	164
Other creditors	407	644	359	504
Accrued expenditure	591	360	580	325
Deferred income	1,164	1,555	1,119	1,549
<b>Total</b>	<b>2,476</b>	<b>2,880</b>	<b>2,299</b>	<b>2,631</b>

### 14 Creditors: amounts falling due after more than one year

	Consolidated 2021 £'000	Consolidated 2020 £'000	NCVO 2021 £'000	NCVO 2020 £'000
Membership deferred over one year	73	59	73	59
Bank loan (secured)	1,604	1,605	1,604	1,605
<b>Total</b>	<b>1,677</b>	<b>1,664</b>	<b>1,677</b>	<b>1,664</b>
Analysis of loan repayments:				
Within one year	90	89	90	89
Between one and two years	90	89	90	89
Between two and five years	1,514	1,516	1,514	1,516
<b>Balance at 31 March</b>	<b>1,694</b>	<b>1,694</b>	<b>1,694</b>	<b>1,694</b>

NCVO owns the freehold of the building it occupies at Society Building, All Saints Street, London N1 9RL. A loan was taken out with Barclays Bank to fund a building construction project on the same property, which was completed during 2012/13. The loan is secured by legal mortgage over the property. The loan is fully drawn, for a total of £1.7million at a rate of LIBOR +1.95% for a 20-year period with a five-year renewable term in April 2026.

## Notes to the financial statements

For the year ended 31 March 2021

### Reconciliation of deferred income 2020/21

	Brought forward £'000	Released into 2020/21 £'000	New deferred income £'000	Carry forward £'000
Deferred income	1,614	1,481	1,104	1,237
Being deferred income included in:				
Creditors: amounts falling due within one year				1,164
Creditors: amount falling due after more than one year				73
<b>Total</b>				<b>1,237</b>

### Reconciliation of deferred income 2019/20

	Brought forward £'000	Released into 2019/20 £'000	New deferred income £'000	Carry forward £'000
Deferred income	1,593	1,403	1,424	1,614
Being deferred income included in:				
Creditors: amounts falling due within one year				1,555
Creditors: amount falling due after more than one year				59
<b>Total</b>				<b>1,614</b>

## 15 Operating leases

NCVO had an operating lease with Grenke from April 2017 for multi-functional devices, which provide photocopying, printing and document scanning facilities. Total minimum lease commitments as at 31 March were:

	2021 £'000	2020 £'000
Within one year	-	6
<b>Total</b>	<b>-</b>	<b>6</b>

# Notes to the financial statements

For the year ended 31 March 2021

## 16 Analysis of net group assets

	Unrestricted general 2021 £'000	Unrestricted designated 2021 £'000	Restricted 2021 £'000	Total funds excluding pension fund 2021 £'000	Pension fund 2021 £'000	Total 2021 £'000
Tangible fixed assets	-	4,973	-	4,973	-	4,973
Investments	2,856	-	-	2,856	-	2,856
Net current assets (excluding loan)	974	342	248	1,564	-	1,564
Deferred membership due after more than one year	(73)	-	-	(73)	-	(73)
Pension fund	-	-	-	-	(2,729)	(2,729)
Loan	-	(1,694)	-	(1,694)	-	(1,694)
<b>Total</b>	<b>3,757</b>	<b>3,621</b>	<b>248</b>	<b>7,626</b>	<b>(2,729)</b>	<b>4,897</b>

NCVO's readily realisable reserves of £3.8million (2020: £2.8million) are made up of investments and net current assets, adjusted for loans.

	Unrestricted general 2020 £'000	Unrestricted designated 2020 £'000	Restricted 2020 £'000	Total funds excluding pension fund 2020 £'000	Pension fund 2020 £'000	Total 2020 £'000
Tangible fixed assets	-	5,276	-	5,276	-	5,276
Investments	2,234	-	-	2,234	-	2,234
Net current assets (excluding loan)	663	655	415	1,733	-	1,733
Deferred membership due after more than one year	(59)	-	-	(59)	-	(59)
Pension fund	-	-	-	-	-	-
Loan	-	(1,694)	-	(1,694)	-	(1,694)
<b>Total</b>	<b>2,838</b>	<b>4,237</b>	<b>415</b>	<b>7,490</b>	<b>-</b>	<b>7,490</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 17 Movement in group funds

#### Unrestricted and designated 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 2020	Income	Expenditure	Transfers	Net gains	Balance 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	3,582	-	-	(304)	-	3,278
Property maintenance	28	-	-	-	-	28
Digital investment	386	-	(64)	(285)	-	37
Equipment	-	-	-	42	-	42
NCVO Excellence	85	-	(10)	(75)	-	-
Strategy development	121	-	(1)	(120)	-	-
Equity, diversity and inclusion	29	-	(137)	138	-	30
People	-	-	-	133	-	133
Governance	-	-	-	23	-	23
Policy and research	-	-	-	44	-	44
Other	6	-	-	-	-	6
<b>Designated funds</b>	<b>4,237</b>	<b>-</b>	<b>(212)</b>	<b>(404)</b>	<b>-</b>	<b>3,621</b>
General funds	2,838	6,130	(5,547)	(182)	518	3,757
Pension reserves	-	-	(108)	586	(3,207)	(2,729)
<b>Total</b>	<b>7,075</b>	<b>6,130</b>	<b>(5,867)</b>	<b>-</b>	<b>(2,689)</b>	<b>4,649</b>

The total income figure of £6.1million includes the share of operating gain of the joint ventures referenced on the SOFA.

	Balance 1 April 2019	Income	Expenditure	Transfers	Net gains	Balance 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	3,438	-	-	144	-	3,582
Property maintenance	28	-	-	-	-	28
Centenary fund	119	-	(54)	(65)	-	-
Digital investment	354	-	(110)	142	-	386
NCVO Excellence	124	-	(39)	-	-	85
Policy development including tax commission	42	-	(28)	(14)	-	-
Volunteering research	7	-	(7)	-	-	-
Strategy development	-	-	(19)	140	-	121
Equity, diversity and inclusion	-	-	(21)	50	-	29
Other	34	-	(16)	(12)	-	6
<b>Designated funds</b>	<b>4,146</b>	<b>-</b>	<b>(294)</b>	<b>385</b>	<b>-</b>	<b>4,237</b>
General funds	3,260	8,315	(7,506)	(955)	(276)	2,838
Pension reserves	(3,154)	-	(161)	570	2,745	-
<b>Total</b>	<b>4,252</b>	<b>8,315</b>	<b>(7,961)</b>	<b>-</b>	<b>2,469</b>	<b>7,075</b>

## Notes to the financial statements

For the year ended 31 March 2021

The total income figure of £8.3million includes the share of the operating profit of joint ventures referenced on the SOFA.

Trustees have designated funds for specific pieces of work, including:

- **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 these acquisitions).
- **Digital investment**  
Trustees have allocated funds from reserves for a number of digital projects, including the development of a new website and an online payments platform.
- **Equipment**  
This fund represents costs of laptops and equipment to support staff working from home.
- **Equity, diversity and inclusion**  
The Trustees allocated these funds to enable NCVO to develop an equity, diversity and inclusion strategy and work plan.
- **People**  
This fund is allocated to meet one off costs for advisors to support our cultural change programme.
- **Governance**  
Trustees have allocated these funds for our governance review.
- **Policy and research**  
This fund is allocated to meet the costs of research into understanding the public's view of charities and trialling new methods of influencing.

# Notes to the financial statements

For the year ended 31 March 2021

## 17 Movement in group funds (continued)

### Restricted funds 2020/21

	1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2021 £'000
The National Lottery Community Fund: Digital Fund	338	-	(144)	-	194
Various: Governance Code	20	6	(11)	-	15
New Philanthropy Capital: NCVO Charities Evaluation Services	20	10	(25)	-	5
Lloyds Bank Foundation for England and Wales: Rebalancing the Relationship	10	10	(10)	-	10
Various: Public Trust	8	-	-	-	8
Greater London Authority / Sport England / Pears Foundation / Scout Association: Family volunteering research	7	-	(7)	-	-
The National Lottery Community Fund: Trusted Charity in Wales	6	38	(44)	-	-
Leadership (legacy)	3	-	-	-	3
CSIS Charity Fund: Working for a Charity bursaries	1	-	-	-	1
The National Lottery Community Fund: Covid-19 support	-	998	(998)	-	-
Department of Health and Social Care: Health and Wellbeing Alliance core grant	-	80	(80)	-	-
Esmee Fairbairn Foundation: Digital content	-	57	(51)	-	6
Department of Health and Social Care: VCSE data and intelligence sharing	-	40	(40)	-	-
Economic and Social Research Council: Data partnership including data entry	-	40	(36)	-	4
Nottingham Trent University: Covid-19 research	-	29	(29)	-	-
Third Sector Research Centre, University of Birmingham: Covid-19 research	-	18	(18)	-	-
Trafigura Foundation: NCVO Charities Evaluation Services	-	17	(17)	-	-
Esmee Fairbairn Foundation: Classifying the register	-	17	(15)	-	2
University of Northumbria: Covid-19 research	-	15	(15)	-	-
CAST: digital	-	12	(12)	-	-
Other restricted grants and donations under £20,000 (not requiring separate disclosure)	2	-	(2)	-	-
<b>Total</b>	<b>415</b>	<b>1,387</b>	<b>(1,554)</b>	<b>-</b>	<b>248</b>

## Notes to the financial statements

For the year ended 31 March 2021

Those areas with restricted funds to be carried forward into 2021/22 are briefly described below:

- **Digital Fund: The National Lottery Community Fund**  
A project to transform NCVO's technology and digital services so that we can support more people in more organisations.
- **Governance Code**  
For the provision of ongoing stewardship of the Code.
- **NCVO Charities Evaluation Services: New Philanthropy Capital**  
Supporting charities through the Inspiring Impact programme.
- **Rebalancing the Relationship: Lloyds Bank Foundation for England and Wales**  
A partnership between NCVO, ACEVO and Lloyds Bank Foundation project to understand and address how collaboration between large and small voluntary organisations can improve to deliver the best outcomes for service users, ensure the diversity of the sector and protect local economies.
- **Public Trust**  
Work to preserve public trust and confidence in the sector.
- **Leadership (legacy)**  
Legacy for leadership (Winifred Tumim) and for music for people with learning difficulties (Diana Kurzman).
- **CSIS Charity Fund: Working for a Charity bursaries**  
Bursaries for people who have worked in the public sector who wish to attend training courses in order to transfer their skills to the voluntary sector.
- **Esmée Fairbairn Foundation: Digital content**  
To improve NCVO's tech / digital Knowhow web content to help small and medium sized charities become more digitally confident
- **Economic and Social Research Council: Data partnership including data entry**  
To support data entry and classification work in producing the Almanac
- **Esmée Fairbairn Foundation: Classifying the register**  
To develop an automated classification of charities in the charity register.

# Notes to the financial statements

For the year ended 31 March 2021

## Restricted funds 2019/20

	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
Safeguarding Training Fund: The National Lottery Community Fund	427	108	(535)	-	-
National Lottery Community Fund: Digital Fund	-	374	(36)	-	338
Rebalancing the Relationship: Lloyds Bank Foundation for England and Wales	27	59	(76)	-	10
Constructive Voices: Joseph Rowntree Charitable Trust	22	(10)	(12)	-	-
Governance Code	20	-	-	-	20
Trusted Charity in Wales: The National Lottery Community Fund	18	50	(62)	-	6
Plowden Fellowship	8	-	(8)	-	-
Various: Public Trust	8	-	-	-	8
Family volunteering research: Sport England, Pears Foundation, Greater London Authority, Scout Association	8	45	(46)	-	7
NCVO Charities Evaluation Services: New Philanthropy Capital	6	25	(11)	-	20
Leadership (legacy)	3	-	-	-	3
CSIS Charity Fund: Working for a Charity bursaries	1	-	-	-	1
Health and Wellbeing Alliance core grant: Department of Health	-	50	(50)	-	-
Data partnership including data entry: Economic and Social Research Council	-	40	(40)	-	-
Digital: CAST	-	6	(6)	-	-
Other restricted grants and donations under £20,000 (not requiring separate disclosure)	-	6	(4)	-	2
<b>Total</b>	<b>548</b>	<b>753</b>	<b>(886)</b>	<b>-</b>	<b>415</b>

Those areas with restricted funds to be carried forward into 2020/21 are briefly described below:

- Digital Fund: The National Lottery Community Fund**  
A project to transform NCVO's technology and digital services so that we can support more people in more organisations.
- Rebalancing the Relationship: Lloyds Bank Foundation for England and Wales**  
A partnership between NCVO, ACEVO and Lloyds Bank Foundation project to understand and address how collaboration between large and small voluntary organisations can improve to deliver the best outcomes for service users, ensure the diversity of the sector and protect local economies.
- Governance Code**  
For the provision of ongoing stewardship of the Code.
- Trusted Charity Mark in Wales: The National Lottery Community Fund**  
Funding to adapt and develop the NCVO Excellence quality standard materials and tools and embed sustainable support networks amongst the sector in Wales.
- Public Trust**  
Work to preserve public trust and confidence in the sector.

## Notes to the financial statements

For the year ended 31 March 2021

- **Family volunteering research: Sport England, Pears Foundation, Greater London Authority and Scout Association**  
A research project to explore the links between family and volunteering, in order to support volunteer-involving organisations to develop or enhance volunteering opportunities for family members.
- **NCVO Charities Evaluation Services: New Philanthropy Capital**  
Supporting charities through the Inspiring Impact programme.
- **Leadership (legacy)**  
Legacy for leadership (Winifred Tumim) and for music for people with learning difficulties (Diana Kurzman).
- **CSIS Charity Fund: Working for a Charity bursaries**  
Bursaries for people who have worked in the public sector who wish to attend training courses in order to transfer their skills to the voluntary sector.

### Other funds

NCVO also manages other charitable funds on behalf of the trusts listed below through its investment managers, UBS.

**The Bayldon Trust:** for the benefit of a charity or charities as the settlor during his life and after his death as his wife Lorna Irene Bayldon and after her death as his son Captain John Michael Bayldon and thereafter the trustee shall select and so that no moneys shall be applied under the trusts hereof other than for charitable purposes within the legal definition of that term.

**LCC Workmen's Dwelling Trust, Becontree:** To promote the advancement of education, the furtherance of health and all such other measures for the social welfare of residents in the workmen's houses erected by the L.C.C. at Becontree, Essex as are legally charitable.

**The Lady Hawke Trust:** To provide help in sickness and convalescence and holidays for necessitous mothers and babies residing in the borough of Bermondsey, preference given to those attending the Princess Club Infant Welfare Centre at Bermondsey so long as that welfare centre continues to exist.

**The Magnus Trust:** To pay or apply the income of the trust fund and also so much of the capital of the trust fund as the settlors jointly or severally or the survivor of them may from time to time by direction in writing to the trustee determine to such charities or for such charitable purposes as the settlors or the survivor of them may from time to time by like written direction request and subject to and in default of any such direction and insofar as such direction may not extend as the trustee may at its uncontrolled discretion determine.

**The Montefiore Institute:** The Permanent Trustee shall hold the trust premises upon trust to permit the same to be used for the purposes of physical and mental recreation and social moral and intellectual development through the medium of reading and recreation room library lectures classes recreations entertainments or otherwise as may be found expedient for the benefit of the inhabitants of the Worth Ward of the Parish of Worth in the County of Sussex and its immediate vicinity without distinction of sex or of political or other opinions subject to the provisions of these premises.

## Notes to the financial statements

For the year ended 31 March 2021

**The N E F Montgomery Trust:** to pay the income and / or capital to such charities or for such charitable purposes as the settlor or, if surviving, her husband may from time to time direct.

**Mr and Mrs E T Williams' Settlement:** for the benefit of a charity or charities now in existence or now or hereafter registered as such under the provisions of the charity act 1960 as selected by the settlors during their lives and after their deaths selected by the national council of social service.

**A M G and G Wyburd Trust:** to pay or apply the income and/or capital to such charities or for such charitable purposes as the settlors may from time to time direct.

The David Stern Trust and The Miss S M G Ross Trust were wound up during the year following the deaths of the settlors. NCVO received £30,551 from The David Stern Trust and £75,140 from the Miss S M G Ross Trust.

NCVO acts as Trustee of and makes donations from these funds as directed by their settlors. The total value of the investments, which are held in a separate portfolio, stands at £462,000 (2020: £758,000). In addition, £205,000 (2020: £229,000) is held in a separate bank account. These funds are excluded from NCVO's accounts.

### 18 Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
<b>Net income / (expenditure) for the year</b>	602	(35)
Adjustments for:		
Depreciation	340	293
(Gain) / loss on investments	(518)	276
Investment of donations from the Ross and Stern Trusts	(97)	-
Dividends and interest from investments	(73)	(91)
Interest on bank loan	33	45
Non-cash difference between defined benefit pension contributions paid and amount charged to SOFA	(478)	(409)
Decrease / (increase) in stocks	2	(2)
Decrease / (increase) in debtors	566	(389)
(Decrease) / increase in creditors	(391)	293
<b>Net cash (used) / provided by operating activities</b>	<b>(14)</b>	<b>(19)</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 19 Post-employment benefits

The charity operates two pension schemes, a defined contribution pension scheme for employees and a defined benefits pension scheme (the assets of which are held separately from the charity), which was closed on 31 March 2011.

#### a) Pension costs charge in the year

The amount of pensions costs charged within employee costs on the SOFA is as follows:

		2021	2020
	Note	£'000	£'000
Defined contribution scheme costs		268	270
Defined benefit scheme past service cost		22	-
Defined benefit scheme expenses		86	94
Defined benefit scheme interest cost		-	68
<b>Total cost</b>	<b>7</b>	<b>376</b>	<b>432</b>

#### b) Defined benefit scheme

The employer operates a defined benefit scheme in the UK which is closed to new entrants and future accrual. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was completed as at 30 September 2019 and the results of this have been updated to 31 March 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The actuarial valuation as at 30 September 2019 showed a deficit of £3,444,000. The employer has agreed with the trustees that it will aim to eliminate the deficit by 30 November 2026 by the payment of annual contributions of £498,623 for the period 1 April 2020 to 31 March 2021 and thereafter by annual contributions of £210,000, payable monthly and increasing by 3% at every subsequent 1 April. In addition and in accordance with the actuarial valuation, the employer has agreed with the trustees that it will pay contributions in respect of the expenses of running the Scheme of £90,850 per annum. The Pension Protection Fund levy will be paid separately by the employer.

#### Assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.30	3.70
Rate of increase in pensions in payment	2.85	1.85
Discount rate	2.10	2.30
Inflation assumption (CPI)	2.95	1.70

## Notes to the financial statements

For the year ended 31 March 2021

### 19 Post-employment benefits (continued)

The mortality assumptions adopted at 31 March 2021 imply the following life expectations:

	<b>2021 Years</b>
Male retiring in 2021	21.7
Female retiring in 2021	24.0
Male retiring in 2041	22.9
Female retiring in 2041	25.4

### Present values of defined benefit obligation, fair value of assets and defined benefit liability

	<b>2021 £'000</b>	<b>2020 £'000</b>
Fair value of plan assets	29,664	27,704
Present value of defined benefit obligation	(32,393)	(26,512)
Effect of asset ceiling	-	(1,192)
<b>Deficit in scheme and liability recognised</b>	<b>(2,729)</b>	<b>-</b>

### Reconciliation of opening and closing balances of the defined benefit obligation

	<b>2021 £'000</b>	<b>2020 £'000</b>
Defined benefit obligation at start of period	26,512	29,283
Interest expenses	603	679
Past service costs (GMP equalisation)	22	-
Benefits paid and expenses	(630)	(750)
Actuarial gain / (loss) on changes in financial and demographic assumptions	5,996	(1,893)
Experience gain on liabilities	(110)	(807)
<b>Total</b>	<b>32,393</b>	<b>26,512</b>

### Reconciliation of opening and closing balances of the fair value of scheme assets

	<b>2021 £'000</b>	<b>2020 £'000</b>
Fair value of scheme assets at start of period	27,704	26,129
Interest income	636	611
Expenses	(86)	(94)
Return on assets excluding interest income	1,454	1,237
Contributions by the employer	586	571
Benefits paid and expenses	(630)	(750)
<b>Total</b>	<b>29,664</b>	<b>27,704</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 19 Post-employment benefits (continued)

<b>Actuarial (loss) / gain recognised in the SOFA</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Gain on scheme assets	1,454	1,237
Experience gain arising on the scheme liabilities	110	807
(Loss) / gain as a result of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	(5,996)	1,893
Gain from the change in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	1,225	-
Effect of asset ceiling	-	(1,192)
<b>Total actuarial (loss) / gain recognised in SOFA</b>	<b>(3,207)</b>	<b>2,745</b>

The scheme assets exceeded the scheme liabilities at 31 March 2020 giving a net surplus of £1,192,000. In the opinion of NCVO's trustees the net surplus will not be recoverable so was not recognised as an asset in the Statement of Financial Activities.

#### Scheme assets

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Equity type assets	3,377	3,048
Bonds	14,482	14,537
Property	1,845	1,595
Other	9,960	8,524
<b>Total assets</b>	<b>29,664</b>	<b>27,704</b>

TPT Retirement Solutions has informed NCVO of a review of historic scheme benefit changes that it is undertaking. The content of these accounts makes no allowance for, or reference to, the potential outcome of that review.

### 20 Contingent liabilities

After the year end, the charity was notified by the trustee of the charity's defined benefit pension scheme of a possible liability that existed at 31 March 2021. This relates to potential further benefits payable to members of the scheme derived from the way benefits have been changed and how the scheme's rules are interpreted. As is normal practice in these circumstances, the pension scheme trustee is seeking clarification through the courts to confirm if and when the impact of changes would have created additional benefits payable. An estimation of the liability, should it be payable, is in the region of £1.83million to £2.16million.

### 21 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, is liable to tax on any profits not paid to the charity under deed of covenant.

## Notes to the financial statements

For the year ended 31 March 2021

### 22 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 22 to the accounts.

As stated in the CAF Trust Deed, the chair of NCVO occupies one trustee position on the board of the CAF. This position is currently filled by Dr Priya Singh.

NCVO Trading Limited held 33% of the shares in Trustees Unlimited LLP. NCVO Trading Limited transferred its interest in Trustees Unlimited LLP to fellow member, Russam GMS Limited in January 2021 for consideration in line with the partnership agreement. 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. Trustees Unlimited LLP, which has an accounting reference date of 31 March, has been accounted for as an associate up until the date of transfer and included on the SOFA and balance sheet using the equity method.

During the year, NCVO contributed £5,000 to the set up of the Baobab Foundation via Hackney CVS. One of our trustees, Jake Ferguson, is the co-founder of the Baobab Foundation and CEO of Hackney CVS. Hackney CVS had a Memorandum of Understanding with the Baobab Foundation Steering group to act as the accountable body until a new entity is created. It therefore contracts project consultants and holds any funds collected for the research and development phase. The Baobab Foundation is a new entity due to launch in 2021 which aims to develop an endowment fund to support black and ethnic minority community organisations across the UK.

### 22 Subsidiary and parent company results

The charity owns 100% of the issued share capital in NCVO Trading Limited. The company made a profit of £284,000 for the year ended 31 March 2021 (2020: £1.6million). The investment at cost is £1.

	2021 £'000	2020 £'000
<b>Summary profit and loss account</b>		
Turnover	401	2,473
Cost of sales	(116)	(801)
Gross profit	285	1,672
Expenditure	(1)	(57)
Net profit from operations	284	1,615
<b>Payable to NCVO under deed of covenant</b>	<b>(284)</b>	<b>(1,615)</b>
<b>Summary balance sheet</b>		
Fixed assets – Investments	-	-
Debtors	68	319
Cash at bank and in-hand	348	954
	<b>416</b>	<b>1,273</b>
Creditors: amounts falling due within one year	(416)	(1,273)
Creditors: amounts falling due after one year	-	-
<b>Net assets</b>	<b>-</b>	<b>-</b>