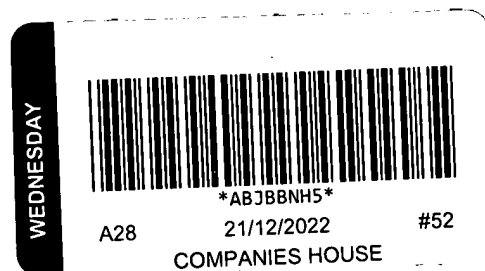


# National Council for Voluntary Organisations

Report and financial statements for the year ended 31 March 2022

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 2022

Patron:  
President

Formerly Her Majesty The Queen  
Baroness Jill Pitkeathley

### NCVO Trustee Board

#### Honorary Officers

Chair	Dr Priya Singh		
Co-vice chair	Emily Agius	Appointed	14 December 2021
Co-vice chair	Julie Bentley		
Co-vice chair	Anne Heal	Resigned	22 November 2021
Honorary treasurer:	Paul Breckell		

#### Senior Independent Trustee

Dr Sarabajaya Kumar	Appointed	14 March 2022
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#### Trustees

Paul Buchanan		
Jake Ferguson	Resigned	22 June 2021
Red Godfrey-Sagoo	Appointed	22 November 2021
Angela Spence	Appointed	10 September 2021
Dan Sutch		
Sheila Taylor		
Ingrid Tennessee		

### NCVO Trading Limited

#### Directors

Paul Breckell	Resigned	14 March 2022
Paul Buchanan	Resigned	14 March 2022
Laura Crandley	Appointed	14 March 2022
Dominic Fox	Resigned	14 March 2022
Bruce Gordon	Resigned	23 November 2021
Jeremy Rees	Resigned	23 November 2021
Dan Sutch	Resigned	14 March 2022
Sarah Vibert		
Andrew Walkey	Appointed	14 March 2022

#### Audit and Risk Committee (reshaped February 2022)

##### Trustees

Emily Agius	Resigned	15 December 2021
Paul Breckell		
Dr Sarabajaya Kumar		

##### Independents

Kalwant Grewal	Appointed	13 April 2022
Anne Heal	Appointed	22 November 2021
Frankie Smith	Appointed	13 April 2022
Kafui Tay (chair)		

#### Finance and Commercial Committee (formed February 2022)

##### Trustees

Paul Breckell (chair)	Appointed	15 December 2021
Paul Buchanan	Appointed	14 March 2022
Dan Sutch	Appointed	14 March 2022

##### Independents

Dominic Fox	Appointed	15 December 2021
Stella Neophytou	Appointed	21 June 2022
Dani Salvadori	Appointed	21 June 2022

#### Governance and Nominations Committee (reshaped January 2022)

##### Trustees

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

Emily Agius		
Julie Bentley	Resigned	15 December 2021
Paul Breckell	Resigned	15 December 2021
Dr Priya Singh (chair)		

### Independents

Karmen Bennett	Appointed	27 June 2022
Crewenna Dymond		
Tommy Hyun	Appointed	13 May 2022
Debbie Raven	Appointed	27 June 2022

### People, culture and inclusion committee (formed May 2022)

#### Trustees

Red Godfrey-Sagoo	Appointed	14 March 2022
Angela Spence (chair)	Appointed	14 March 2022
Ingrid Tennessee	Appointed	14 March 2022

#### Independents

Amanda Arrowsmith	Appointed	27 June 2022
Karen Chapman	Appointed	14 March 2022
	Resigned	26 July 2022
Edith Galliers	Appointed	27 June 2022
Chris Wade	Appointed	14 March 2022

### HR and Remuneration Committee (disbanded March 2022)

#### Trustees

Paul Breckell	Resigned	14 March 2022
Dr Priya Singh	Resigned	14 March 2022
Ingrid Tennessee	Resigned	14 March 2022

#### Independents

Karen Chapman (chair)	Resigned	14 March 2022
Chris Wade	Resigned	14 March 2022

### Equity, Diversity and Inclusion Committee (disbanded March 2022)

#### Trustees

Julie Bentley	Resigned	14 March 2022
Anne Heal	Resigned	22 November 2021
Dr Sarabajaya Kumar	Resigned	14 March 2022

#### Independents

Karen Chapman	Resigned	14 March 2022
Nazia Mirza (interim chair)	Resigned	14 March 2022

### Chief Executive

Sarah Vibert	Appointed as permanent CEO	9 March 2022
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### Chief Operating Officer and Directors

Laura Crandley		
Alex Farrow	Appointed	7 June 2022
Gavin Finch (interim)	Resigned	30 November 2021
Andrew Walkey	Appointed	1 June 2022

### Company Secretary

Laura Crandley

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

### **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 2021/22

We began 2021 during the UK's third national lockdown, implemented as part of the government's response to the ongoing coronavirus pandemic. It was a particularly tough start to a new year for everyone, following a challenging 2020. We ended 2021/22 as the country was emerging from the Omicron wave of the pandemic and facing rapidly rising living costs, on the backdrop of the Russian invasion of Ukraine and the ongoing climate crisis.

The response of the voluntary sector and volunteers has remained a shining light in dark times. From delivering vital services to those shielding to helping roll out the NHS vaccination programme, stepping up provision from foodbanks to increasing support for mental health, the inspiring actions of our members and our sector have continued to demonstrate how central we are to our communities - providing crucial support across society.

### Delivering member value

The need for NCVO standing alongside members and the voluntary sector was clearer than ever over the last year. Our collective voice as 16,000 members in December 2020, grew to 17,102 members by year end.

Members tell me how important it is that NCVO provides a sector-wide platform to advocate for the voluntary sector and volunteering. We continued to seek a positive and constructive relationship with both government and the Charity Commission in order to influence on the priorities of our members. During 2021/22 this included coordinating sector-wide work to talk to government about the role the voluntary sector can play in its 'levelling up' agenda and championing the importance of a sector regulator free from political interference.

We know that data and evidence about the sector is vital in ensuring government values the role the sector plays in society. Our annual UK Civil Society Almanac remains the essential source of insight on the voluntary sector, this year published on our new digital platform, making it easier for organisations to use this valuable resource. Our 'Respond, Recover, Reset' project with Nottingham Trent and Sheffield Hallam universities used monthly surveys and in-depth interviews to chart two years of the pandemic, and how it has challenged and shaped the UK's charity sector. The final report, published two years to the day since the announcement of the first national lockdown, highlights that adaptability, innovation, and collaboration in the face of crisis were central to the resilience of the UK's charities and volunteers despite concerns about finances, demand for services, changing guidance and a lack of central support.

Members also tell me how much they value NCVO tools and resources, and access to these remains the number one reason why voluntary organisations join or renew their membership with us. During 2021/22 we continued to build our suite of resources, responding to and anticipating member needs as they adapted and innovated in ever changing circumstances. We focussed guidance on new areas such as digital volunteering and technology planning and built on existing content such as collaboration to respond to a changed context. We also hosted more than 60 events with more than 3,000 participants.

Members place significant value on their access to discounted training. Over the last year we were able to deliver 100% of our training remotely - making it more accessible - with courses across subject areas vital to running a charity, from strategy to governance and fundraising. Our courses have been in high demand, and we continue to expand our offer, this includes exploring the option of in-person training once again.

### The true impact of the pandemic

We also began to see the true impact of the pandemic on NCVO members. Sadly, we saw more members closing their doors during the last year, meaning vital services were lost to people and communities. Despite predictions of mass closures back in 2020, this did not happen due to mix of a generous public, funders bringing emergency funding forward, trustees choosing to spend reserves and many voluntary organisations accessing the job retention scheme.

## Report of the trustee board (continued)

For the year ended 31 March 2022

These safety nets were not available to the same extent in 2021 meaning a much more challenging year for many voluntary organisations.

Mirroring the experience of our members, 2021/22 was a tougher year financially for NCVO than the preceding year. In 2020/21 we had access to vital coronavirus support funding (£1 million from the National Lottery Community Fund), as well as the UK government's job retention scheme. In 2021/22, such emergency grant support was no longer available but our income from trading was still far lower than pre-pandemic levels, and this is reflected in our year-end financial position. The continued effect of Covid-19 restrictions, together with a reduction in income from the Charities Aid Foundation (CAF), meant we closed the year with a larger than planned deficit. Trustees chose to use NCVO's reserves to maintain our vital services for the voluntary sector while we re-build our income streams including from our conference suite, and work with CAF to understand CAF's explanation for making reduced payments to NCVO and to assess those amounts. We are hopeful that we will reach a common understanding soon.

### Investing in strong foundations for the future

2021/22 was the first full year of our new strategy. Our new strategy commits us to: **support** charities to make a bigger difference; **amplify** and speak up with charities and volunteers; and **connect** the people who want charities to thrive. I am proud of all we achieved last year under these new goals, and we've set out more detail about what we have delivered in the trustee's strategic report below.

Given our new strategy and organisational structure, the board felt it timely to undertake a comprehensive external governance review, as is good practice in voluntary organisations every three years. The review has resulted in a change to our committee structure and remit, as set out in the structure and governance section of this report, together with the continuous evaluation of board effectiveness as we navigate challenging times as a sector.

In order to deliver our new strategy we also need to **evolve** as an organisation to better support our staff, members and the wider sector. The changes in how we work over the last year have been driven by our values of being **open**, **collaborative**, **inclusive** and **ambitious**. The leadership team is committed to ensuring this underpins how NCVO approaches everything it does. Changing an organisation is a complex task and over the last year trustees committed vital investment in the foundations of NCVO to put us into a strong position for the future.

One of our priorities was to ensure that failings of the past were properly addressed. We concluded investigations into complaints received by the board during an independent inquiry in October 2020, including accusations of harassment, victimisation, race discrimination and issues around management of health and safety. I apologised on behalf of the board of trustees to everyone who has been harmed as a result of these incidents and by the failings at NCVO. We will not accept incidents of bullying, harassment, discrimination or other harmful behaviours at NCVO.

### Our new CEO

We closed the year welcoming Sarah Vibert into her new role as CEO. In a fantastic field, Sarah impressed, challenged and inspired all those involved in the process, presenting a clear and compelling vision for the future of NCVO and our work to support members and our sector.

Sarah's appointment followed a rigorous four-month recruitment process - which I led with support from an external recruitment partner - with over 200 candidates applying for the role. I'm very pleased to report that the shortlisting and interview process were robust, involving representatives from NCVO members and staff, and enabled diverse perspectives and collective decision making.

In welcoming Sarah as CEO, the trustees and I would also like to thank her for her achievements as interim CEO during a challenging period for our organisation and sector. These include the progress towards changing our culture at NCVO, working to ensure members remain core to the decisions we take and the priorities we set, and developing effective partnerships with others in the sector to influence and advocate for charities and volunteering.

## Report of the trustee board (continued)

For the year ended 31 March 2022

### A year of change and consolidation

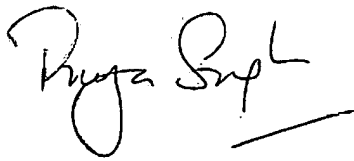
In 2021/22 we laid the foundations for being the membership organisation set out in our new strategy. In many ways it has been a year of rapid change, evolving the way we work to put members at the heart of NCVO and to ensure we are truly living our new values.

Yet it has also been a year of consolidation and enhancing the aspects of NCVO's offer which we hear from members that they most value - building on a refreshed approach to our work to influence government, development of online training and our online practical support content, and continuing support for small charities. I am immensely grateful to the whole team at NCVO for their hard work and dedication to members when we are most needed. The trustees and I look forward to working with Sarah and the team as they build on this over the year ahead.

Finally, I would like to add that in September, we were deeply saddened by the death of Her Majesty The Queen Elizabeth II.

It is an immense source of pride for us as an organisation to have had Her Majesty The Queen serve as our Royal Patron since her ascension to the throne. We fondly remember The Queen marking our centenary in 2019 by hosting a reception at Windsor Castle to recognise volunteers and voluntary action in the UK.

Her Majesty's lifelong devotion to service and duty is a legacy which will continue to live on in the many millions of charities and volunteers dedicated to supporting communities across the UK and around the world.



Dr Priya Singh

Chair



## Report of the trustee board (continued)

For the year ended 31 March 2022

# From the CEO

Society is experiencing a series of rolling crises - from the humanitarian crisis to the climate emergency, from new waves of Covid-19 to spiralling inflation. The impact of these challenges - on society, the voluntary sector, NCVO members and our own organisation - cannot be underestimated. There are no easy answers for how the voluntary sector and volunteers respond and adapt. This is why one of the most important things NCVO does is to create the space for members to come together to share and learn from each other.

Yet these challenges also give us an opportunity to think differently as a society. Voluntary organisations and volunteers are not only providing support and giving a voice to communities, they are also creating vital connections between people and give us hope for a better future. I'm proud to be part of our incredible voluntary sector, and to work alongside staff and volunteers across our membership who are driven by a passionate desire to deliver for communities and society.

Last time I wrote in this annual publication, I held an interim position here at NCVO. I'm delighted now to write as NCVO's permanent CEO. Lots of people have asked me if the job feels different now. Being permanent CEO means I can take a longer-term view and have a clear mandate to lead the organisation. Yet I never treated the interim role as a caretaker given the challenges the organisation and wider sector faced over the last year. There is a lot the NCVO team, alongside our members and partners, can be proud of that we achieved in our 'interim' year of transition and change. I mention just a few of them here.

Our 2021 Road Ahead publication was an example of us not changing *what* we do but changing *how* we do it. Developed with the skill and insight of colleagues across NCVO, partners and the wider membership, this year's publication was richer than ever before because it was developed collaboratively. The finished product provides a comprehensive guide for all voluntary organisations to think through the wider environment we are operating in and how they respond.

I am proud of the role NCVO played in establishing The Civil Society Group and what has followed in terms of a new era of collaboration across the voluntary sector infrastructure bodies, building on our pandemic partnership. Whether its writing a letter in The Telegraph to object to the Secretary of State's comments about the role of the Charity Commission or campaigning on access to charity bank accounts, we are achieving more through pooling resources and ideas.

Our offer to small charities and organisations makes up a huge amount of our work, with well over 90% of our members being small or micro in size. This is why we wanted to ensure that when the Small Charities Coalition (SCC) sadly announced its closure, we played our part in securing its legacy. As well as supporting a report by Iona Lawrence to learn the lessons of the SCC, *The Power of Small*, NCVO successfully bid in partnership with the Foundation for Social Improvement (FSI) to take on some of SCC's services. This wasn't a decision we took lightly given NCVO is not a small charity. I am well aware of the power imbalance between smaller and larger organisations. Our partnership with the FSI is critical in ensuring we bring the best of small, alongside the sustainability a larger organisation such as NCVO can offer. Introducing a small charities advisory group later this year will bring further expertise and insight to ensure the sector collectively provides distinct and comprehensive support to small charities.

A piece of work close to my heart as a working parent in a leadership role was NCVO and ACEVO's *Time to Flex* report published in January. Led by Becky Hewitt, former CEO of Changing Faces, the report was a call to action for flexible working in the voluntary sector. A working group made up of representatives with extensive knowledge and experience of flexible working in the voluntary sector created the report. I hope the report will urge voluntary sector leaders to build on pandemic progress and include flexibility in the job design of all charity roles.

## Report of the trustee board (continued)

For the year ended 31 March 2022

Another area where we have collaborated to learn from the pandemic is in volunteering. Together with NAVCA, Volunteering Matters, the Association of Volunteer Managers and Sport England, we played a part in facilitating the Vision for Volunteering movement to create a new tenyear Vision to ensure volunteers are at the heart of thriving communities and that volunteering is truly embedded in our society. Working with over 300 organisations the Vision for Volunteering report calls for more collaboration, greater diversity, innovation, and a devolution of power in volunteering.

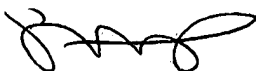
### A vision for the future

All the areas I am most proud of over the last 12 months have the unifying theme of collaboration - one of our core values. Relationships are central to my vision for what NCVO needs to be to have the greatest possible impact for the voluntary sector and volunteers. Creating spaces for members to come together to share, learn from each other, and collaborate for the benefit of the people and communities they serve is at the heart of this. NCVO's legitimacy comes from our members, therefore having a deep relationship with members will mean we are led by the insights, experiences and priorities of those we serve – and that our offer to them continually adapts in response. This will help us to develop relationships and to have influence with others who share our vision. Our continuing culture change at NCVO must see the development of equitable and inclusive relationships between the staff who make up NCVO.

My priorities build on the work we have delivered over the past year and align with our key strategic areas: support, amplify, connect, evolve. Building a more personal and accessible NCVO is critical if we are to achieve the vision I outline above. Creating networks to bring members together, working alongside members on policy issues, investing in technology to make it easier to access our support, as well as reaching parts of the sector we do not currently have in membership are all important priorities. I want to ensure we have a clear offer for smaller members and for larger members, which together make up our vibrant sector, but have distinct needs and reasons for joining NCVO. And last but not least I am looking forward to developing phase two of the Vision for Volunteering, working alongside our sector partners and DCMS.

In common with all CEO's, I balance the external work with ensuring the organisation is sustainable. We were no different from the rest of the sector in terms of the impact of the pandemic and social distancing on our income. Building back income and adapting our business model in response to changes in the markets we operate in – for example conferencing – will be one of my top priorities this year. Our culture change work is going to continue to have a prominent place – both internally for NCVO colleagues and how this translates to our external facing activities.

NCVO has a unique role to play in enabling voluntary organisations and volunteers to thrive. I am looking forward to working alongside members and partners in the year ahead to ensure we continue to adapt and respond to current and future challenges in society, particularly the cost of living crisis which is causing such difficulty for most voluntary organisations, those they support and that work and volunteer for them.



Sarah Vibert

CEO

## Report of the trustee board (continued)

For the year ended 31 March 2022

# 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 2022.

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.

We started the year with the following committees reporting 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; and
- 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.

We commissioned an external independent review of our governance during the year. This resulted in changes to the committees reporting to the board and their responsibilities from early 2022:

- Audit and risk committee. Provides independent advice and assurance on risk, control and compliance matters. Our audit and risk committee is chaired by an independent member of the committee.
- Finance and commercial committee. Provides oversight of all commercial activity within NCVO. Reviews our business plans and budgets as well as monitoring our performance against targets, both financial and non-financial. Oversight of investments and our defined benefit pension scheme.
- Governance and nominations committee. Facilitates diversity in the governance structure and ensures the right mix of skills and experience on the board and its sub-committees. Supervises the trustee election process to ensure this is open and democratic. Supports board development and evaluation.
- People, culture and inclusion committee. Sets the chief executive and the leadership teams' remuneration and considers all people policies and related matters, including pensions. To provide challenge and support to the board and leadership team in relation to the delivery of our cultural change roadmap. Oversight of our external work to support inclusion and volunteering across the sector. Provides challenge and oversight through lived

## Report of the trustee board (continued)

For the year ended 31 March 2022

experience, expertise and knowledge in relation to practice, culture and approach at NCVO.

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. Each year, every trustee meets with the chair to review the year.

All trustees also take part in an annual planning event. This provides an opportunity for them 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 year by a leadership team and staff of around 85 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.

### Members voice

During our strategy development process in 2019/20, we heard from members on how they could have greater involvement in NCVO's work for greater collective impact, including our work to influence government. Working in partnership with members strengthens our influencing work, lives our values, and enables greater impact.

With the help of around 80 members, we have undertaken a project to explore further how to make this happen.

Most members emphasised the importance of sharing their experiences with the option to be more involved in developing recommendations where they have the time and knowledge to do so. As we evolve ways to embed member engagement into our policy work, we are planning to reshape the advisory council to support our influencing work. We are also working on improving our communication about that vital influencing work.

### 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. At the AGM in November 2022, members will be asked to elect a new president.

### 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.

- People, governance and culture – this comprises our cultural change work; HR; learning and development as well as governance and planning.

After the year end, the leadership team was restructured and formed under the CEO as follows:

- COO – responsible for our conference facilities; data protection; finance; governance; IT; legal; property; and oversight of services and partnerships.
- Director of influencing and engagement – this includes membership, networks, policy and research.
- Director of people, culture and inclusion – this comprises our cultural change work; HR; learning and development.
- Director of services and partnerships – this comprises corporate relationships; practical support; and our training and consultancy offer.
- Director of strategic communications and insight – this includes marketing and communications; our digital content and development; and a new insight function.

## Report of the trustee board (continued)

For the year ended 31 March 2022

As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. In 2021/22, we undertook a full external governance review in line with best practice and recent updates to the Code. This resulted in the re-shaping of the remit and meeting cycles of the committees which support the board, the appointment of a senior independent trustee and improving our approach to board meetings to ensure these address the critical strategic issues for the organisation and the sector.

### Openness and accountability

NCVO's strategy is guided by an overarching principle of being member-focused. We are taking a more collaborative approach and recognise that members are the experts in charities and volunteering and NCVO reflects 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 are able to scrutinise their work. During the last year the trustees have:

- encouraged collaborative working across the sector, specifically in response to the continued impact of the pandemic and the war in Ukraine by working closely with the Voluntary Sector Emergency Partnership and developing The Civil Society Group with other infrastructure organisations;
- prioritised the focus on member collaboration through member assemblies and welcome sessions, ensuring the virtual delivery of these events;
- reached the final stages of the development of our new website in a user-led and iterative way that ensures we are meeting member needs with the launch having taken place in August 2022; and
- continued to share our learning and reflections through blog posts and external speaking engagements on our own cultural change including progress to improve equity, diversity and inclusion.

### Diversity within the board of trustees

The board considers the diversity of trustees to be a key priority and recognises the limitations associated with elective governance process. The governance and 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 which reach a wide audience. 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.

### Organisational purpose and leadership

Taking these two Code principles together, the board evaluates continuously its effectiveness. All trustees took part in our external governance review, which was completed during 2021. The board and the leadership team have reflected on how to ensure there is sufficient balance between in year and strategic priorities and to ensure that the time the board have together is effective. This has included the cadence of meetings, discussions supported by data and metrics that are driven by the implementation of our strategy as well as having a stronger committee structure with clear remits and the appointment of a senior independent trustee. The board have considered carefully the balance of in person and remote meetings to ensure that we nurture the strong and trusted relationships which facilitate board effectiveness.

## Report of the trustee board (continued)

For the year ended 31 March 2022

### 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 continue to embed a new culture within NCVO.

## Report of the trustee board (continued)

For the year ended 31 March 2022

# Strategic report

## Objectives and activities

NCVO champions and strengthens volunteering and civil society, with over 17,000 members ranging from the smallest community organisations to the largest charities. 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 2022

# Delivering our strategy

### Overview

We began this year implementing our new strategy that focuses on four goals and is underpinned by our new values.

*Use image for goals:* **Support, Amplify, Connect, Evolve**

*Use image for values:* **Open, Collaborative, Inclusive, Ambitious**

Our business plan for the year drew upon these goals and values and centred on six priorities.

### Strategic priorities

These goals each relate to two or more of our 'support', 'amplify' and 'connect' strategic goals.

- a. Recovery and renewal post-Covid
- b. The day to day running of a charity
- c. Addressing the barriers to volunteering

### Enabling priorities

These goals relate to our 'evolve' strategic goal.

- d. A more diverse and inclusive organisation
- e. A new plan for generating income
- f. Better core digital services and technology

This summary highlights some of our key achievements against our six business plan priorities over the financial year.

### Summary of our key achievements this year

#### Recovery and renewal post-Covid

Charities and volunteering have a critical role to play in supporting people and communities, and we were keen to demonstrate this over the last year. We set out to reset the sector's relationship with government and made some progress here though we still have a fair way to go.

We worked at pace to respond to the governments' Levelling Up agenda - visibly taking the lead and formulating a collaborative process which fed directly in to Neil O'Brien MP, who was tasked by the Prime Minister with leading government work on levelling up. We engaged a cohort of our membership and stakeholders across the sector to outline our vision, principles, and key recommendations. These were included in the government's white paper. Since then we secured the development of a social infrastructure strategy, a major policy win for the voluntary sector and NCVO.

We built a new partnership with Lloyds Bank Foundation and Bright Blue to build new relationships with influential figures across the centre right of UK politics. We aim to develop a series of political activities to help us reset the relationship between government and the voluntary sector - focusing engagement on how the voluntary sector can support the government to deliver its 'Levelling Up' agenda. As the political climate has evolved over summer 2022 we are now gearing up to influence the budget of the new Prime Minister and beginning planning for a general election by 2024.

We played a leading role in the sector's roundtable introductory discussion with the government minister with responsibility for Civil Society, Nigel Huddleston MP. Alongside sector partners we advocated for civil society's role in levelling up, volunteering legacy from the pandemic and social investment.



## Report of the trustee board (continued)

For the year ended 31 March 2022

As part of the coalition of voluntary sector infrastructure organisations, we refreshed our collective strategy to demonstrate to government how charities can support the country in recovery and renewal. We are a key partner in the new infrastructure collaboration group, The Civil Society Group, which is building on the sectors' emergency response to the recovery as we move beyond the pandemic.

Building on new ways of working put in place during the pandemic, we have continued to meet senior executives at the Charity Commission alongside sector partners. We look forward developing a relationship with the newly appointed chair, Orlando Fraser, following our engagement with partners to outline the importance of this position and the Charity Commission's independence during the delayed recruitment process.

We continued to develop high quality data about the sector to support organisations to recover and renew due to the pandemic. With our partners at Nottingham Trent University and Sheffield Hallam University, the 'Respond, Recover, Reset' project provided regular temperature checks on the state of charities throughout the crisis and provided information to help influence government. The final report looks back on two years of the pandemic and how it has challenged and shaped the UK's charity sector.

With the Third Sector Research Centre, our joint project exploring financial vulnerability, we published a new report showing that Covid-19 had a much bigger impact on income than the 2008 recession and that small charities have been hit hardest. Probono Economics and Baobab Foundation spoke at the launch event and our webinar and publication was extensively covered by sector press focusing on reinforced inequalities, and how 'typical' charities were affected.

We also launched our two popular annual publications Road Ahead 2022 - which looks at trends and opportunities for charities and volunteering, and was the feature of a Third Sector podcast - and this year's UK Civil Society Almanac, which launched with an op-ed for Civil Society news and a launch webinar was sponsored by Sarasin & Partners. The data this year related to financial year 2018/19 with early insights on the impact of the pandemic on the sector.

We published a blog and spoke to media outlets to promote the sector's incredible response to the Russian invasion of Ukraine. We also connected with organisations and partners engaged in the response to understand what they needed in terms of support from us as infrastructure but also from the public. We shared this with the sector so other charities could support their efforts and we also provided guidance on what the possible impact of the invasion will be on charities in the UK, including dealing with higher costs, cyber-attack, as well as volunteer and staff wellbeing.

### **The day to day running of a charity**

Our online open training courses continue to be a popular part of our offer to the sector. We've rolled out new courses to meet learner needs alongside scaling up our programme. Over the last year we trained 3,276 people across 111 online training courses, 79% of those learners were NCVO members. 100% of our courses were delivered online as we continued to ensure accessibility during the restrictions of the pandemic.

Our online open training offer continues to be particularly popular with people from organisations with an income of less than £1million. We maintained good representation of learners from across England. Around 50% were based outside London and South East, a quite different picture to when we delivered face-to-face training. We also introduced new training, partnering with the Social Justice Collective to host 'Equality, Diversity and Inclusion (EDI) in charity governance' training, building on our work on the Charity Governance Code. This pilot started in January 2022, the first two cohorts sold out and we have three more dates in the calendar which are booking up fast.

We produced a new draft set of design principles that guided the development of a full events series for NCVO members and will help us inform the ways we conceptualise and run NCVO-hosted events. In June, we relaunched our member assemblies, in partnership with CVSs, these are currently still online. At the same time we also launched

## Report of the trustee board (continued)

For the year ended 31 March 2022

a new welcome event for organisations that have recently joined NCVO, which have been well received. Both events are hosted by our CEO. Last year we ran nine member assemblies and ten new member welcome events.

To ensure we are remaining responsive to the needs of our members and the sector, we have captured clearer, richer data of the type and number of enquiries to which we are responding. The practical support team responds to an average of 400 email and phone enquiries a month from organisations (primarily smaller) wanting practical information and guidance on how to run their organisation. In the final quarter of 2021/22, we received more than 1,000 enquiries and started to see an increase in more complex enquiries. The closure of the Small Charities Coalition at the end of March 2022 meant we saw an increase in the number of enquiries we receive about setting up a charity. The top ~~topics or~~ areas of enquiry were on governance, volunteer management, HR / people management, volunteering more broadly, and setting-up a charity. We continued to use the intelligence we get from our enquiries to feed into the development of our online help and guidance and our broader practical support offer of support for small charities. Our coronavirus guidance in 2021/22 was accessed over 45,000 times. Our website generated over 3.2 million page views this year.

Our consultancy programme saw growth throughout the year and continues to provide clients with essential support. We worked with 50 clients throughout the year, around half of which had a project value of £5,000 or less whilst others were multi year and in excess of £50k. Our core delivery areas are evaluation, governance, volunteering, strategy and organisational development with evaluation and governance continuing to be most popular. Volunteering enquiries and projects have started to increase as we position our expertise in volunteering as a core pillar of our consultancy offering.. We continue to work in partnership with our 15 trusted suppliers, and are engaging with them in new ways, in particular by looking at ways in which they can help us develop our practical support offer further.

### Addressing barriers to volunteering

NCVO is prioritising work to break down barriers to volunteering. We know not everyone is able to get involved equally, and we know that not everyone has a positive experience of volunteering. We are supporting the sector by continuing to provide high quality research and evidence, building on volunteering policies and practices and developing a collaborative approach with partners.

We jointly worked on a research project, Mobilising Voluntary Action, that was funded by the Economic and Social Research Council (ESRC). The research considered the impact of the pandemic on volunteering policy and practice across the four nations and issued its interim report last summer. Our research findings to date have highlighted how, during the pandemic, organisations have been met with a number of challenges as well as opportunities.

We also began working alongside NAVCA, Volunteering Matters, Sport England and the Association for Volunteer Managers in 2021/22 to develop an agreed and shared national ambition for volunteering. Whilst government, the private sector and the public have recognised that volunteers have been instrumental in the response to the pandemic, there is no national framework or agreement on how volunteering can support covid recovery or enable communities to renew themselves. After months of working in collaboration with our partners and after hearing feedback from over 350 people from more than 300 organisations we launched our new Vision for Volunteering – our plan to support and improve volunteering opportunities over the next ten years to ensure volunteers are at the heart of thriving communities. We launched the Vision at the 2022 in person Volunteer Expo which is run by Rotary UK and where we were proud to be one of the sponsors.

We also collaborated with others in the area of volunteering, including becoming a partner to the Shaping the Future group. We have been involved in a number of workstreams as part of this collaboration, and in particular have led on work to influence government in relation to volunteering policy.

## Report of the trustee board (continued)

For the year ended 31 March 2022

We also prepared for the 38<sup>th</sup> year of Volunteers' Week. We've liaised with the UK Volunteering Forum and the Eden Project Communities to work on the Month of Community. Our teams delivered a marketing and communications campaign which promoted Volunteers' Week, the Big Jubilee Lunch, Thank You Day and other NCVO-related volunteering related products and services.

### **EVOLVE**

#### **A more diverse and inclusive organisation**

In July 2020, our EDI report presented us as an organisation with a culture which urgently needed to change. We have undertaken an enormous amount of culture change activity over the past year, underpinned by our values of open, collaborative, inclusive and ambitious. This work has been wide ranging, starting the year with work to rebuild trust across the organisation. We have also focussed on developing our leadership as a fundamental part of culture change, as well as learning across the whole organisation. As the year progressed we also began a number of initiatives to support culture change in the wider sector in relation to diversity and inclusion.

Due to the scale of this work we have highlighted our activity across 2021/22 in our in-depth reflection section titled 'living our new values' which is on page 24 of this report.

#### **A new plan for generating income**

Like many charities in the sector, NCVO felt the impact of the pandemic over more than one financial year. Since March 2020 we rapidly developed our offer and responded to needs of members. Over the last year we have been focussed on growing back income streams such as training and conferencing, as well as laying the groundwork for future income growth. The board of trustees decided to fund the shortfall in income this year from reserves.

We have a detailed plan for 2022/23 to continue to grow our fundraised income, which includes reimaging our approach for corporates in terms of support for NCVO and for the wider sector. We are grateful to the charitable trusts and foundations that have supported us over the last year, outlined on page 55.

We also examined how to use our building space differently in the face of ongoing restrictions and rapidly changing guidance. We have had expressions of interest from many other charities wanting to rent office space while some of the floors were unoccupied. This has had a positive impact on our income whilst our own desk occupancy is low and while we are unable to deliver our in-person training and venue hire. In the last quarter, as the removal of restrictions eased, we saw increased bookings from the conference suite against our original budget, and we continue to receive enquiries. Our priority remains to build back our conference suite offer for the next financial year.

Further detail on income generation is included in our financial report on page 27.

#### **Better core digital services and technology**

We worked intensely over the last year to deliver our technology roadmap to provide an enhanced user experience for our members and customers when engaging with NCVO. This included launching our new website and complex architectural work to support it. We made significant progress and successfully migrated much of our well visited help and guidance content such as on volunteering and also our popular publications, such as the Almanac, to the platform – making them more accessible for users.

Another big focus has been on the groundwork to improve our digital member and wider customer journey. This has included joining and renewing as a member; scoping requirements for eCommerce to allow online payments; improved registration and login processes. This enables us to have 'a single source of truth' in our CRM system so we can deepen our insight and analysis of how our customers interact with us and improve and optimise their experience. It also allows us to streamline internal processes.

## Report of the trustee board (continued)

For the year ended 31 March 2022

We completed our IT 'disaster recovery rehearsal' – an annual exercise to test our preparedness for a worst-case scenario where access to the IT infrastructure in the office is not accessible. We carried out the rehearsal successfully – and in record time – over two days at a disaster recovery site.

In addition to this, we are making improvements to our IT infrastructure to enable us to respond to the increased demand for hybrid working both within NCVO and in the conference suite.

We have also put in a database cleaning process in place and are successfully reducing our storage needs. We prioritised an automated data quality, maintenance and retention processes, and have included developing a more comprehensive data strategy in next year's business plan.

## Report of the trustee board (continued)

For the year ended 31 March 2022

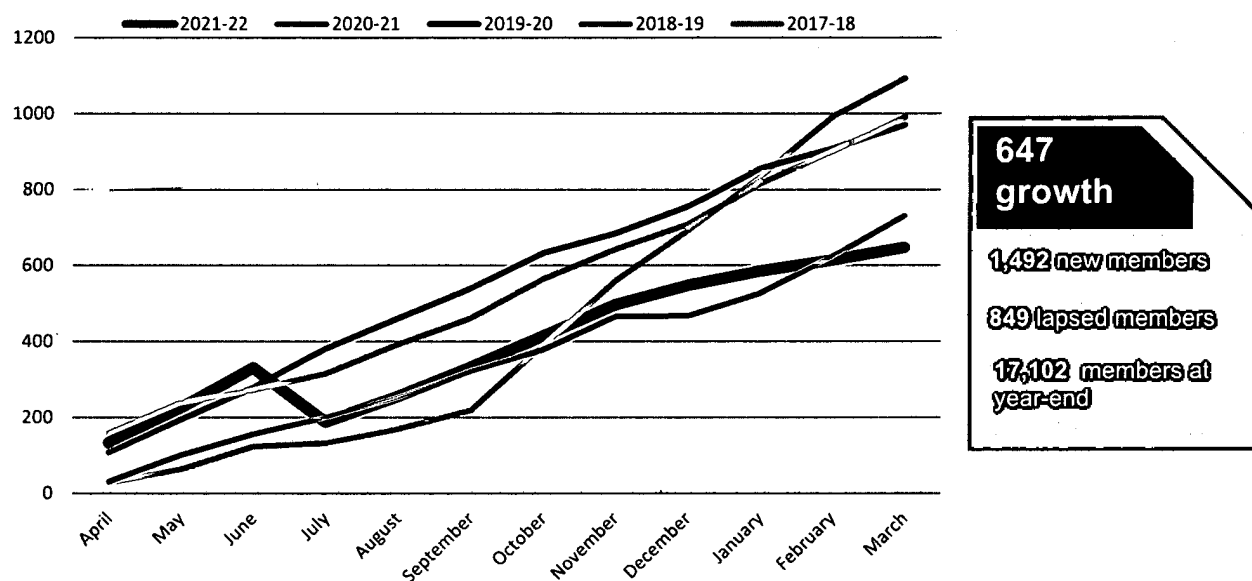
### Growth and profile of membership

2021/22, the second pandemic year, served as a reflection of the impact of the Covid-19 crisis on voluntary organisations across the sector. Not least amongst these were NCVO member organisations. While membership grew, the year indicated erratic change in members' incomes, escalated resignations, an increased number of organisations closing due to the effects of the pandemic. Consequently, our membership retention rate dropped by 10%.

In July we undertook a project to correlate our member records with our member partners that sponsor the memberships of their networks. One such partner had updated their records and cleared over 200 memberships, which we were obligated to likewise clear. We recovered this number of members by September, but felt the impact in our numbers for the rest of the year.

We reached a milestone 17,000 members by January and ended the year with 17,102 members. By year end, we had welcomed almost 1,500 organisations to membership, 11% of which were returning to NCVO an average of 4.5 years after their historic membership had lapsed.

#### Yearly comparison of membership growth (acquisition and lapsed memberships)



We saw some new membership trends in 2021/22. 700 of our members converted from free membership to a paying membership bracket, as their incomes grew due to smaller packages of funding. 149 of our new members had an income over £1million, whereas the prior year we'd predominantly welcomed small organisations to membership. More and more organisations were ushered to us by their local infrastructure organisation, and we saw increased numbers of organisations interested in our training, to which they applied their member discount.

We continued to see a reduction in members feeling able to commit to the financial advantage of three-year membership, as charities were facing more uncertainty than ever before.

NCVO members are spread across the country and in all aspects, roughly mimic the wider voluntary sector. While many operate within the M25, the vast majority are located across the entire country. 68% of members are micro/small organisations with an annual income under £30,000, and over one fifth of members work in social care.

## Report of the trustee board (continued)

For the year ended 31 March 2022

Members continue to be highly engaged across our owned marketing channels and more than a third of our new members join NCVO on the recommendation of an existing member.

*"We are finding our membership hugely beneficial. We have used member templates and resources to develop new policies and financial regulations for our organisation. Our chair found the AGM and other member events useful to attend. I am benefitting from useful training on offer. I think our three-year membership represents excellent value for money. I know I can contact the membership team for anything I need."*

**The Pear Tree Fund**

## Report of the trustee board (continued)

For the year ended 31 March 2022

### Our year in numbers

- **Membership**
  - **17,102 members at year end, growth (+4% growth year on year)**
  - 11,304 (66%) non payers
  - 5,798 (34%) payers
  - 86% Overall retention rate
    - 88.5% paying members
    - 85% Community members
- **Events, webinars and networking**
  - **Engaged with 3,692 participants across 64 online events**
    - 24 exclusive to NCVO members, including 9 regional assemblies, 10 welcome and refresher events and the AGM
    - We ran our annual Trustees Week event series
    - We ran 12 Volunteer Infrastructure briefings, aimed at strengthening our relationship and collaborative spirit with other infrastructure organisations
  - The [Road Ahead report website](#) had over 21,000 views and 5,000 people read our summary blog.
- **Training and consultancy**
  - 3,276 people trained across 111 online training courses
    - 79% member-learners
  - Top earning courses were
    - Outcomes and impact measurement
    - Good practice in volunteer management
    - Financial intelligence
  - 690 additional learners from 466 organisations at 161 additional in-house courses
  - We undertook 50 consultancy projects
- **Website, practical support and resources**
  - 852,000 users
  - 3.2 million page views
  - 45,000 views, coronavirus guidance page
  - Top 3 publicly accessible pages were
    - I Want to Volunteer
    - Find a Volunteer Centre
    - Training booking page
  - Top 3 member downloads were
    - Risk Register template
    - Planning funding and income
    - Reserves policies made simple
  - 3 new trusted suppliers

## Report of the trustee board (continued)

For the year ended 31 March 2022

### Reflection: a year of living our new values

Our new strategy defines an organisation that has the values of openness, collaboration, inclusion and ambition at its heart. A year into our new strategy, and over two years since our independent EDI report was produced, it is important to reflect on the extent to which we are living these values. We want our values to be integral both to our internal organisational culture, and also the way in which we work to support members and the wider sector.

#### Rebuilding trust

The starting point for culture change in 2021 was ensuring failings of the past were properly addressed, to support staff to heal and rebuild trust, and to ensure that incidents such as those that were highlighted in the EDI report would not happen again – and if they do, that we are confident they will be dealt with robustly.

We partnered with NCVO member Leap to run a programme of trust and healing work, which was much needed after a challenging year. They delivered a number of workshops with staff to explore people's experiences of events over the preceding two years. Leap then continued to work with the leadership team to support them in responding to what was heard through the trust building sessions.

During the year we concluded investigations into ten complaints received by the board during an independent inquiry in 2020 and shared the outcomes and learning with colleagues and the wider sector.

One of the main recommendations from the inquiry and investigations was the creation of a culture where raising issues is encouraged as a way for the organisation to learn and improve. Early in the year we put in place a new whistleblowing platform. We introduced regular Q&A sessions with the CEO and leadership team, which is a forum for colleagues to raise issues and ask questions about anything to do with NCVO. It is also a forum for leaders to demonstrate a commitment to living our 'open' value. These sessions received very positive feedback in a recent staff survey – another mechanism to listen to colleagues and respond accordingly. The board also approved updated policies including grievance, disciplinary and safeguarding policies, that underpin this work.

#### Leadership and learning

Culture change starts at the top, so developing our leadership – both executive and board – has been a fundamental part of culture change.

Led by Sarah Vibert, starting as interim CEO in January 2021, the leadership team have undertaken a programme of development in values-based leadership. A key addition to the leadership team has been Janu Miah, who joined in April 2021 as interim head of people and culture – a new role at NCVO. Janu established a new people and culture team which is stewarding the culture change roadmap at NCVO.

Following the appointment of Sarah as permanent CEO, we are now putting in place a permanent leadership team. This will include appointing a newly created role of director of people, culture and inclusion to support the organisation in the next phase of development.

Led during 2021 by Nazia Mirza, the EDI committee has provided governance oversight to NCVO's culture change work. In recognition of the need to bring people, culture and inclusion together in our governance structure, a new committee was established early in 2022 as part of the governance review. The governance review also created the position of Senior Independent Trustees which adds another check and balance into the governance structure, also providing trustee-level leadership on safeguarding and complaints.

The whole organisation has been involved in an EDI learning pilot during 2021/22. A series of nine courses were run with a range of learning partners including Zara Todd and Stonewall. This programme has now been mainstreamed into NCVO's learning and development programme.



## Report of the trustee board (continued)

For the year ended 31 March 2022

### **Towards living our values internally**

The whole staff team has taken part in workshops to explore what our organisational values mean to them as individuals. The outcomes of this are being used to create a behaviours framework which will form part of a future appraisal system. We culminated 2021-22 by the whole organisation coming together to develop a set of cultural commitments to each other and the wider sector.

Ensuring we have a culture where people feel like they belong is important. We've made changes to how we recruit, induct and support new colleagues and will continue to do so. Our staff networks are central to life at NCVO, providing spaces for support, friendship, learning and celebration of identity. We also began a wellbeing programme early in 2021 which continues to grow and develop. Our regular polls have shown wellbeing scores slowly rising across the organisation – but there's more work to do. We've trained mental health first aiders and introduced wellness action plans across the organisation. New management training will also soon be available for those with line management responsibilities.

We have begun a project to reimagine how we work in a post-pandemic hybrid world. We've updated our flexible working policy to start from a point of trusting people and are now exploring how we can ensure flexibility for all staff, including those whose jobs are largely based in Society Building.

### **Living our values with our members and the sector**

Our starting point for living our values externally is being open with the sector about NCVO's failings, progress, learning and successes. This section of our annual report is part of that. Our CEO and chair have spoken at several events over the last year about culture change at NCVO, and have regularly blogged about our work.

During 2021, as part of the roll out of our new strategy, we have sought to re-define our relationship with members and the sector through working collaboratively with other organisations, building partnerships with equality groups such as Disabled Peoples Organisations and ran a year-long project on involving members in our policy work. We've also spoken out on equalities issues ranging from the Sewell report to trans rights, to the intersection between equalities and the climate emergency.

At the heart of our sector-facing cultural shift is how NCVO shares and spreads power it holds as the largest voluntary sector membership body. This is so important but not easy. We are on a journey in terms of considering the power imbalances at play in our many external relationships – for example with those we work with to deliver training, and when working with much smaller organisations as in the partnership with the Foundation for Social Improvement to deliver the services transferred from the Small Charities Coalition.

### **Towards the future**

There is so much more to do. Priorities for the year ahead include developing a formal framework on decision making, a development programme for managers, rolling out a new appraisal system, and responding to issues highlighted in the staff survey such as heavy workloads and its impact on wellbeing.

Continuing to redefine our relationship with members and the wider sector is also central to our plans. We will focus on how we can better support under-served parts of the sector and developing our membership to reach organisations that are not currently in our network.

We also want to be more ambitious in our work to support cultural change in the wider sector. Over the coming year we plan to build on the flexible working project from earlier this year. We hope to work with Working Families to embed some of the findings around good practice in the flexible working report. We want to work with ACEVO on workforce issues such as how we attract more diverse talent to work in charities. Similarly, we want to continue to

## Report of the trustee board (continued)

For the year ended 31 March 2022

support the next phase of the Vision for Volunteering project so that everyone can enjoy the benefits of volunteering equally.

## Report of the trustee board (continued)

For the year ended 31 March 2022

# Financial review

The year ending 31 March 2022 was another challenging year, as it was for many charities. The continued effect of Covid-19 restrictions together with a reduction in the income we receive from the Charities Aid Foundation (CAF) meant we moved from a planned deficit of £250,000 at the start of the year to a deficit of £718,000 (before changes to the gain from the defined benefit scheme). We chose to fund the deficit from reserves. This was so we could continue to deliver our services for the sector during a year of change whilst we re-build our conference suite income and we are working with CAF to understand CAF's explanation for making reduced payments to NCVO and to assess those amounts.

### Income

Total income of £5.4million was a decrease on the preceding year (2021: £7.5million) due to the impact of Covid-19 restrictions and the reduction in income from CAF. NCVO continues to generate income from a diverse range of sources. The main source of income from donations and legacies is £1million from CAF which has reduced from the previous year (2021: £1.8million). Income from charitable activities of £2.7million (2021: £3.9million) was lower than the previous year mainly due to the Covid-related grant from the National Lottery (£1million) in 2020/21 and income from the government's job retention scheme (2021: £439,000; 2022: £56,000). This has been partly offset by the growth in our training and consultancy income. Income from trading activities has increased from £1.2million (2021) to £1.4million (2022), as the use of our conference facilities increased as the restrictions in relation to the pandemic were lifted.

### Expenditure

Total expenditure decreased to £6.3million (2021: £7.4million). This reflects the reduction in expenditure due to both Covid-19 restrictions and due to reduced costs following the restructure to support our new strategy and to respond to reduced income as a result of the pandemic. 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 expenditure of £0.7million (2021: net income of £0.6million) for the year included a gain on investments of £0.2million (2021: £0.5million). The actuarial gain on the defined pension scheme of £2.6million (2021: actuarial loss of £3.2million) resulted in a net increase in funds of £1.8million (2021: net decrease of £2.6million) and total funds at the end of the year of £6.7million (2021: £4.9million).

### Balance sheet

Fixed assets include Society Building at £3.7million 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 £1.6million secured on the building. The loan taken out in 2011 has a 20-year maturity with a five-year break in April 2026 and can be 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

## Report of the trustee board (continued)

For the year ended 31 March 2022

has an expected end date of 31 March 2029. Contributions in the year to 31 March 2022 were £0.3million (2021: £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, as appropriate, 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 independent, qualified actuary in accordance with Financial Reporting Standard 102 (FRS 102). This valuation at 31 March 2022 resulted in a balance of £nil (2021: £2.7million deficit) due to the scheme ending the year in a surplus position, with the surplus not recognised.

### Future financial planning

Like many other charities, NCVO's income has continued to be hit by the measures put in place by the government to stop the spread of Covid-19 particularly in relation to income from our conference suite. Other areas of income are growing particularly in terms of our training and consultancy.

We have continued to build on the work done in 2020/21 to reduce our fixed cost base, and we have a balanced budget in place for 2022/23 and we believe that NCVO's income will continue to grow from the current position which will allow us to deliver more for the sector.

## Report of the trustee board (continued)

For the year ended 31 March 2022

# Policies

### Investments

During the year to 31 March 2022, 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 finance and commercial committee meeting at least annually to discuss the performance of the portfolio, economic conditions and future requirements.

### 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 December 2021, the reserves policy was reviewed, and, it was agreed that we will use a risk-based approach to calculate the level of reserves we should hold based on:

- The review of risks as part of the business planning process;
- Three months average expenditure from the budget.

We calculate readily realisable reserves as:

- The low point of budgeted cash during the year;
- The overdraft facility we can draw down against.

The current level of readily realisable reserves is between £17k and £150k below this level as a result of lower income.

At 31 March 2022, NCVO's reserves calculations were as follows:

	31 March 2022	31 March 2021
	£'000	£'000
Net risk identified in planning process for the following year	92 to 225	107
Three months average expenditure	1,735	1,520
<b>Required level of reserves</b>	<b>1,827 to 1,960</b>	<b>1,627</b>
Low point of cash for the following year	810	1,528
Overdraft facility	1,000	1,000
<b>Readily realisable reserves</b>	<b>1,810</b>	<b>2,528</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 year.

### Fundraising policy

29 The National Council for Voluntary Organisations

## Report of the trustee board (continued)

For the year ended 31 March 2022

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 2022

# 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; and
- 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 85 staff. Salaries for the chief executive, chief operating officer and directors are set and reviewed annually by NCVO's people, culture and inclusion committee, a sub-committee of our board of trustees. The people, culture and inclusion committee includes specialists with significant pay expertise and knowledge, especially of the charity sector.

All other staff salaries are set by the chief executive, chief operating officer and directors. Salaries are arranged in organisation-wide pay grades, 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 run an apprenticeship in partnership with Queen Mary University of London, leading to a BSc Business Management degree – social change..

People are employed at NCVO on the basis of the specific skills and experiences 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, chief operating officer and directors pay

NCVO's unique position in representing the whole of the voluntary sector means that the chief executive, chief operating officer 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 within a reasonable range.

### (ii) Benchmarking

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

## Report of the trustee board (continued)

For the year ended 31 March 2022

Chief executive, chief operating officer and director pay is determined by the people, culture and inclusion committee. Its aim is to benchmark our leadership 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, chief operating officer and directors and negotiated on behalf of staff by NCVO's recognised union, Unite. Our aim has been 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. We are reviewing our pay framework to ensure we are paying in line with our current policy and also to consider if we should have a range of pay at each level to encourage and reward the development of our staff.

The same benefits, including pensions and terms and conditions, apply to the chief executive, chief operating officer 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 leadership team participate in performance appraisals as part of the same feedback and appraisal scheme operated for all NCVO staff.

### (iii) 2021/22 leadership team pay levels

Name	Title	Annual salary 2021/22 £	Pension contributions 2021/22 £	Total remuneration 2021/22 £	Annual salary 2020/21 £
Karl Wilding	Chief executive <sup>1</sup>	-	-	-	138,446
Sarah Vibert	Interim chief executive (from 26 January 2021)	120,000	6,816	126,816	21,624
Sarah Vibert	Director of public policy and volunteering (from 2 January 2020 to 25 January 2021)	-	-	-	81,291
Susan Cordingley	Deputy CEO (from 11 November 2019 to 1 February 2021)	-	-	-	96,953
Megan Griffith Gray	Director of strategy and transformation (from 11 November 2019 to 31 March 2021) (0.8 FTE)	-	-	-	83,665
Laura Crandley	Director of finance and services (from 19 January 2021)	92,306	5,938	98,244	19,782
Gavin Finch	Interim director of membership and engagement (from 22 March to 30 November 2021)	60,720	3,449	64,169	2,735
Tracy Kiernan	Head of central services	61,369	5,552	66,921	66,064
Gavin Finch	Head of communications, marketing and membership (to 21 March 2021)	-	-	-	61,347
Rupa Kotecha-Smith	Interim head of communications, marketing and membership (from 1 June 2021) (0.9 FTE)	44,491	2,527	47,018	-
Sophie Raeburn	Head of digital, data and technology	61,368	3,486	64,854	64,082
Alex Farrow	Head of networks and influencing (from 1 January 2021)	64,344	5,688	70,032	16,549



## Report of the trustee board (continued)

For the year ended 31 March 2022

Name	Title	Annual salary 2021/22 £	Pension contributions 2021/22 £	Total remuneration 2021/22 £	Annual salary 2020/21 £
Janu Miah	Interim head of people and culture (from 6 April 2021)	60,671	3,446	64,117	-
Andrew Walkey	Head of support and services	59,194	5,290	64,484	65,779
Jarina Choudhury	Strategic volunteering lead (from 22 March 2021) (0.4 FTE)	24,743	2,231	26,974	-

<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.

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 the leadership team, 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 the leadership team are given in note 8.

### (iv) Pay ratio

The ratio of our highest salary (£120,000) to our median salary (£38,908) is 3.1:1 (2021: 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 until 2021/22. 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, a pay award of 2% and a pro rata one off payment of £500 in 2021/22 for all staff other than the chief executive and directors. To reflect the current cost of living indices, we agreed a 4.25% pay award for all staff other than the leadership team for 2022/23 and an award of 3% plus a pro rata one off payment of £500 for the leadership team other than the chief executive and directors.

## Report of the trustee board (continued)

For the year ended 31 March 2022

### 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 and disability pay gap information.

### Gender pay gap

#### Median and mean hourly earnings

At 24 March 2022 the median and mean male and female hourly earnings were:

	Male hourly earnings 2022 £	Female hourly earnings 2022 £	Non-binary hourly earnings 2022 £	Difference 2022 £	Pay gap 2022 %	Difference 2021 £	Pay gap 2021 %
Median	20.84	21.38	*	(0.54)	(3)	0.00	0
Mean	22.32	22.87	*	(0.05)	0	0.90	5

At 24 March 2022 the mean male and female hourly earnings by quartile were:

	Male hourly earnings 2022 £	Female hourly earnings 2022 £	Non-binary hourly earnings 2022 £	Difference 2022 £	Pay gap 2022 %	Difference 2021 £	Pay gap 2021 %
Quartile 1	17.98	16.74	*	1.24	7	0.50	3
Quartile 2	19.10	19.76	*	(0.66)	(3)	(0.39)	(2)
Quartile 3	22.30	23.51	*	(1.21)	(5)	(0.16)	(1)
Quartile 4	30.06	31.83	*	(1.77)	(6)	(1.27)	(4)

The median gender pay gap between male and female at 24 March 2022 has increased from 0% to 3% so females are, as a median, are paid more than their male colleagues. The mean gender pay gap between male and female has reduced from 5% to being almost equal. The information shows in three quartiles, the mean pay gap has improved for females. In quartile one, there are four males and 17 females. The mean pay gap has worsened as three of the four males are on London (as opposed to regional) salaries and are on the higher grade that is included in this quartile. Seven of the nine members of the leadership team were female at 24 March 2022 which is reflected in the fourth quartile.

#### 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 staff starting at an entry point on recruitment and moving 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.

## Report of the trustee board (continued)

For the year ended 31 March 2022

	Male hourly f/t earnings 2022 £	Female hourly f/t earnings 2022 £	Difference 2022 £	Pay gap 2022 %	Difference 2021 £	Pay gap 2021 %
<b>CEO / directors</b>	-	58.33	-	-	(9.27)	(16)
<b>Grade A</b>	33.55	33.48	0.07	1	0.30	1
<b>Grade B</b>	29.41	27.78	1.63	6	1.72	6
<b>Grade C</b>	24.40	24.09	0.31	3	(0.66)	(3)
<b>Grade D</b>	20.35	20.68	(0.33)	(2)	0.09	0.4
<b>Grade E</b>	18.07	17.94	0.13	1	(0.28)	(2)
<b>Grade F</b>	16.76	16.55	0.21	1	(2.65)	(16)
<b>Catering assistant supervisor**</b>	-	13.76	-	-	-	-
<b>Catering assistant deputy supervisor**</b>	-	12.69	-	-	-	-
<b>Apprentice**</b>	-	11.07	-	-	-	-

\* We have not included information on staff who identify as non-binary in these tables as we want to ensure individuals are not identifiable.

\*\* No male staff at this grade at 24 March 2022.

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 all 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.

At 24 March 2022, NCVO employed 61 people that identify as female and 20 people that identify as male.

### Ethnicity and disability pay gap

37% of employees identify themselves as from an ethnic minority; this is a 1% increase from the previous reporting period (2021: 36%). When looking across grades, there is a higher proportion of employees from an ethnic minority in the lower grades in the organisation. There are also a higher proportion of employees from an ethnic minority within the leadership team. Overall ethnic minority employees earn on average 14% (2021: 16%) less than non-ethnic minority employees – this is a decrease by 2% on the previous reporting period.

This is the second year that NCVO is reporting on its disability pay gap to demonstrate our 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.

13% (2021: 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 positive at 5% (2021: 10%) and the median pay gap is positive at 7% (2021: 17%).

## Report of the trustee board (continued)

For the year ended 31 March 2022

	Ethnic minority pay gap 2022 %	Ethnic minority pay gap 2021 %
Median	14	14
Mean	14	16

### Proportion of ethnic minority staff at each grade

	Ethnic minority 2022 %	Non ethnic minority 2022 %	Ethnic minority 2021 %	Non ethnic minority 2021 %
CEO / directors	-	100	-	100
Grade A	43	57	33	67
Grade B	13	88	25	75
Grade C	29	71	27	73
Grade D	32	68	25	75
Grade E	47	53	50	50
Grade F	40	60	33	67
Catering assistant supervisor	100	-	100	-
Catering assistant deputy supervisor	100	-	100	-
Apprentice	100	-	100	-

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

	2022	2021
Non-disabled hourly earnings mean	£22.56	£22.29
Disabled hourly earnings mean	£23.84	£24.83
Difference	£1.28	£2.54
Mean pay gap	5%	10%
Non-disabled staff hourly earnings median	£21.38	£20.96
Disabled staff hourly earnings median	£22.90	£25.29
Difference	£1.52	£4.33
Median pay gap	7%	17%

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

	Disabled 2022 %	Non-disabled 2022 %	Disabled 2021 %	Non-disabled 2021 %
CEO / directors	-	100	-	100
Grade A	14	86	17	83
Grade B	38	63	25	75
Grade C	7	93	18	82
Grade D	15	85	13	87
Grade E	11	89	4	96
Grade F	-	100	-	100
Catering assistant supervisor	-	100	-	100
Catering assistant deputy supervisor	-	100	-	100
Apprentice	-	100	-	100

## Report of the trustee board (continued)

For the year ended 31 March 2022

This report shows that there is still a pay gap disadvantage for our employees that identify as from an ethnic minority and for some pay grades for our employees that identify as female. The trustees and leadership team are committed to addressing these.

We are pleased about the positive disability pay gap. We continue in our work to attract and retain more people from under-represented communities to work at NCVO as well as at board and committee level.

Please also see the section in the trustees report on our reflections of a year of living our values which gives information on our culture change roadmap and our work to improve our approach to diversity and inclusion.

## Report of the trustee board (continued)

For the year ended 31 March 2022

# Environmental journey

### Origin

In 2006 an environmental audit was carried out by the Bridge House Trust. The report highlighted areas of good practice at NCVO as well as recommendations for improving our performance. Some of the recommendations were implemented straight away, such as more individual light switching and changing to mains-fed water coolers over bottled water ones. Other recommendations were longer term. This initial audit also recommended that we continue to monitor our environmental performance, either internally or with support from an external agency.

### First steps

Initially we signed up to the Mayor of London's Green Procurement Code, which ran from 2007 until 2010. During this time, we improved our performance based on the code's requirements from bronze to gold standard. The code focused heavily on procurement and supply chains so in 2010 we signed up to Global Action Plans audit scheme which had a broader remit and was more focused on assessing our environmental performance as calculated by our utilities usage in addition to travel data and the environmental credentials of our suppliers. The main take away from this audit was an updated environmental policy with a clear review date which was put in place in 2011.

### New floor and office refurbishment 2011/2012

In 2011/12 we undertook a major project to add a fourth floor to NCVO's Society Building. This was an opportunity for us to implement some of the longer-term recommendations from both the initial and subsequent audits. We were able to install 73 solar panels onto the roof during the build project and install a state-of-the-art HVAC system along with more energy efficient IT equipment.

We continued to undertake audits with Global Action Plan periodically until 2017 when they changed their scheme, our next audit would have been due in 2019 but there was a delay with their new scheme being in place, so this was delayed until 2020 which was then impacted by the pandemic.

### Covid

None of us could have foreseen what was to come and Covid has impacted our ability to monitor year on year usage. The building was closed during the various periods of lockdown and both staff and visitor numbers were so significantly impacted to make any like-for-like comparison impossible. One example of this would be our water consumption, in 2019 we used 3,326 m<sup>3</sup> of water, in 2020 it was 81 m<sup>3</sup> and in 2021 with its tiers and lockdowns we used 226 m<sup>3</sup>. Even in 2022 we are still not yet back to the capacity in terms of staff on site and visitors to the conference suite to be able to give an accurate comparison. We are going to use 2022/23 as our baseline for future improvements.

### What are we doing now?

- We are continuing to monitor our usage and aim to have another external audit carried out shortly.
- We continue to generate solar power and our utilities supplies are all from green and renewable sources.
- We continue to source environmentally friendly supplies wherever possible.
- We continue to use a zero to landfill approach and offer recycling throughout the building.
- We are replacing old light fittings with LED versions as and when they become unviable.
- We reviewed and updated our environmental policy.

### Next steps

We have commissioned an external review of our overall approach to sustainability. This should provide a discussion for the board in November and then we will identify actions and targets as part of our business planning for 2023/24.

## Strategic priorities for the year ahead

### **A more collective, personalised and accessible NCVO**

In 2022/23, we are focusing on developing and enhancing our member and wider customer journey. We want to ensure that everyone who comes into contact with NCVO has a great experience with us, and is able to easily receive what they need as well as receiving the added value through connections with other organisations and individuals through our networks. This will be done by our new website which launched in August 2022 and our customer charter. We are also considering how we may partner with other organisations to offer a complete service in the same way as we are with the Foundation for Social Improvement (FSI) to deliver the legacy from the Small Charities Coalition.

We will continue to grow our membership and we want to ensure we are reaching all parts of the sector and are developing a strategy to better reach groups who do not currently form part of our membership. This will enable us to truly reflect all voluntary organisations in the sector and will influence the work we do and the areas where we seek to influence policy.

We will develop ways to embed member engagement into our policy work, reshape the advisory council to support our influencing work and improve our communication about our vital influencing work.

### **Supporting a green and equitable recovery with and through our members and partners**

Like many organisations, we recognise the work we have to do to achieve a net zero position and to support the sector to embed the United Nations sustainable development goals particularly during a continued period of crisis with rising cost of living and the war in Ukraine.

We will continue to enhance our practical support offer for the sector particularly for small charities (under £1million) which make up 96% of voluntary organisations and 92% of our members, which will include support around achieving net zero and sustainability more generally as well new and urgent challenges, including equity, diversity and inclusion, hybrid and flexible working practice and supporting mental health and wellbeing.

We are excited to host the Power and Integrity project and offer support to ensure charities and other voluntary organisations truly consider how they ensure they adopt a holistic approach to acting with integrity and utilising power analysis to consider the injustices which may result from their own ways of working.

### **Breaking down barriers to volunteering**

We have been proud to be part of the steering group that launched the Vision for Volunteering in May. We are now implementing the commitments we have made to:

- champion volunteering in all we do;
- develop and support campaigns to build awareness and appreciation of the positive impact of volunteers;
- build and support volunteering networks to share expertise and build solutions collaboratively;
- conduct and share research to support organisations to improve volunteering;
- work with government and key decision makers to influence decisions which affect the volunteering environment through building a consistent message and approach with partners;
- maintain, update and create practical resources and guidance for volunteer involving organisations;
- champion and support trustees including enhancing trustee week, and to drive improvements in governance.

We will build on our Time Well Spent research to further understand the barriers to volunteering and the impact of the pandemic.

## Report of the trustee board (continued)

For the year ended 31 March 2022

We will continue to support Volunteers Week as an opportunity to both promote volunteering and to thank all those who have given their time.

### **Transitioning NCVO to new ways of working for the long-term**

Following the implementation of a permanent leadership team structure, we will continue with our cultural roadmap and share learning with the sector. This will include implementing a new way of working following the learning from the pandemic together with improving our management pathway and ensuring this is consistent across the organisation.

We will launch a new intranet to improve our communications with a dispersed workforce and look for innovative ways to engage with our staff and share information effectively.

### **Adapting our business model and growing back income**

As for many organisations, our income was adversely affected by the pandemic and we are working to grow this and ensure our business model is fit for purpose for the future. This includes developing how we fundraise and our relationship with the private sector to drive understanding and value for the whole of the voluntary sector.

### **Developing the foundations of a learning organisation**

We will undertake a business process review to ensure that we are as effective and customer focused as possible. We will increase our understanding of customer satisfaction and how our brand resonates with the sector and beyond. This will include the development of an insight function, a data strategy and an enhanced approach to content which will be implemented now we have launched our new website.



## Report of the trustee board (continued)

For the year ended 31 March 2022

# 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 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 the current challenges (such as Covid and the cost of living), relationships with the regulator and government are not constructive, that we are not perceived to be living up to our values and that we don't engage effectively with our members. The main financial risks relate to our ability to sustain income streams as a result of the continued impact of Covid-19 on NCVO and the wider sector, as well as the changed markets we are now operating in. Key governance, operational and people risks include effective operation of the board, committees and leadership team after a period of considerable change, breaches of data protection, cyber security or other legislation, failure to deliver services which meet member and sector needs, adverse impacts on staff wellbeing, the impact of changed ways of working and our ability to recruit in a challenging market.

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 continued 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.

## Liability of members

NCVO, the charitable company, is limited by guarantee and has no share capital. Clause 31 of the memorandum of association provides that every member, as defined by Clause 1 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 17,102 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 material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to

## Report of the trustee board (continued)

For the year ended 31 March 2022

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

6 September 2022

## Auditor's report

### 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 2022 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 2022, 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. We addressed this through review of all material incoming resources 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 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 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.

## 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: 31 October 2022

Statement of financial activities for the Group  
(including income and expenditure account)  
For the year ended 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
<b>Income</b>					
Donations and legacies	2	1,106	-	1,106	2,255
Charitable activities:	3				
Membership		1,292	-	1,292	1,212
Support and services		1,182	38	1,220	1,840
Marketing and communications		15	-	15	57
Networks and influencing		25	130	155	544
Other		55	-	55	273
Other trading activities	4	1,438	-	1,438	1,249
Investments	5	70	-	70	75
<b>Total income</b>		<b>5,183</b>	<b>168</b>	<b>5,351</b>	<b>7,505</b>
<b>Expenditure</b>	6				
Raising funds		1,043	-	1,043	854
Charitable expenditure:					
Support and services		2,441	183	2,624	3,728
Marketing and communications		877	-	877	1,059
Membership		394	-	394	422
Networks and influencing		1,042	143	1,185	1,151
Other: digital and EDI		194	-	194	207
<b>Total expenditure</b>		<b>5,991</b>	<b>326</b>	<b>6,317</b>	<b>7,421</b>
Net (expenditure) / income before investment gain		(808)	(158)	(966)	84
Net gain on investment	10	248	-	248	518
<b>Net (expenditure) / income</b>		<b>(560)</b>	<b>(158)</b>	<b>(718)</b>	<b>602</b>
<b>Other recognised gains / (losses)</b>					
Share of operating profit of joint ventures		-	-	-	12
Actuarial gain / (loss) on defined benefit scheme	19	2,558	-	2,558	(3,207)
<b>Net movement in funds</b>		<b>1,998</b>	<b>(158)</b>	<b>1,840</b>	<b>(2,593)</b>
Total funds at 1 April 2021		4,649	248	4,897	7,490
<b>Total funds at 31 March 2022</b>	17	<b>6,647</b>	<b>90</b>	<b>6,737</b>	<b>4,897</b>

The statement of financial activities (SOFA) includes all gains and losses recognised in the year.

The accounting policies and notes on pages 50 to 79 form part of these financial statements.

## Group and charity balance sheet

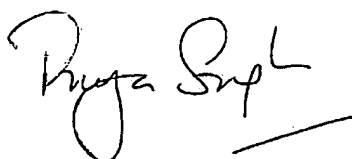
As at 31 March 2022

Company number: 198344

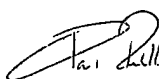
	Notes	Consolidated 2022 £'000	Consolidated 2021 £'000	NCVO 2022 £'000	NCVO 2021 £'000
<b>Fixed assets</b>					
Tangible fixed assets	9	4,721	4,973	4,721	4,973
Investments	10	3,085	2,856	3,085	2,856
		<b>7,806</b>	<b>7,829</b>	<b>7,806</b>	<b>7,829</b>
<b>Current assets</b>					
Stocks	11	-	2	-	2
Debtors	12	827	1,190	1,080	1,362
Cash at bank and in hand		1,788	2,758	1,393	2,409
		<b>2,615</b>	<b>3,950</b>	<b>2,473</b>	<b>3,773</b>
<b>Creditors: amounts falling due within one year</b>	13	(2,201)	(2,476)	(2,059)	(2,299)
<b>Net current assets</b>		<b>414</b>	<b>1,474</b>	<b>414</b>	<b>1,474</b>
<b>Total assets less current liabilities</b>		<b>8,220</b>	<b>9,303</b>	<b>8,220</b>	<b>9,303</b>
<b>Creditors: amounts falling due after one year</b>	14	(1,483)	(1,677)	(1,483)	(1,677)
<b>Net assets excluding pension liability</b>		<b>6,737</b>	<b>7,626</b>	<b>6,737</b>	<b>7,626</b>
Defined benefit pension scheme liability	19	-	(2,729)	-	(2,729)
<b>Net assets</b>		<b>6,737</b>	<b>4,897</b>	<b>6,737</b>	<b>4,897</b>
<b>Funds</b>					
<b>Restricted funds</b>		90	248	90	248
<b>Unrestricted funds</b>					
Pension reserve		-	(2,729)	-	(2,729)
Designated funds		3,240	3,621	3,240	3,621
General funds		3,407	3,757	3,407	3,757
<b>Total funds</b>	16	<b>6,737</b>	<b>4,897</b>	<b>6,737</b>	<b>4,897</b>
NCVO net movement in funds for the year				1,840	(2,593)

The accounting policies and notes on pages 50 to 79 form part of these financial statements.

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



Dr Priya Singh  
Chair  
6 September 2022



Paul Breckell  
Honorary Treasurer  
6 September 2022



## Statement of cashflows

For the year ended 31 March 2022

		2022	2021
	Notes	£'000	£'000
<b>Cash flows from operating activities</b>			
<b>Net cash (used) / provided by operating activities</b>	18	(801)	(14)
<b>Cash flows from investing activities</b>			
Dividends and interest		70	73
Cash received from joint ventures		-	12
Purchase of fixed assets		(93)	(37)
Proceeds from sale of investments		911	1,231
Cash invested following wind up of Trusts		-	97
Purchase of investments		(699)	(1,307)
<b>Net cash provided / (used by) by investing activities</b>		<b>189</b>	<b>69</b>
<b>Cash flows from financing activities</b>			
Repayment of loan (capital and interest)		(165)	(33)
<b>Net cash used by financing activities</b>		<b>(165)</b>	<b>(33)</b>
 Change in cash and cash equivalents in the year		(777)	22
Cash and cash equivalents at the beginning of the year		2,824	2,802
<b>Cash and cash equivalents at the end of the year</b>		<b>2,047</b>	<b>2,824</b>
 <b>Analysis of cash and cash equivalents</b>			
		2022	2021
		£'000	£'000
Cash at bank and in hand		1,788	2,758
Cash held in investment portfolio	10	259	66
<b>Total cash and cash equivalents</b>		<b>2,047</b>	<b>2,824</b>

The accounting policies and notes on pages 50 to 79 form part of these financial statements.

## Notes to the financial statements

For the year ended 31 March 2022

### 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 continued 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.

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 2022

### 1 Accounting policies (continued)

#### 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.

#### 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 2022

### 1 Accounting policies (continued)

#### 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) 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.

#### h) 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.

#### i) 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.

## Notes to the financial statements

For the year ended 31 March 2022

### 1 Accounting policies (continued)

#### j) Employee benefits

##### i) Short-term benefits

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.

#### k) 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 2022

### 2 Donations and legacies (all unrestricted)

	2022 £'000	2021 £'000
Donations through Charities Aid Foundation	955	1,773
Legacy	149	350
Closure of trusts administered by NCVO	-	106
Wolfson Foundation	-	25
Other donations and voluntary income	2	1
<b>Total</b>	<b>1,106</b>	<b>2,255</b>

### 3 Charitable activities

2022	Membership subscriptions, conference delegate fees and charitable purpose contracts £'000	Unrestricted grants and sponsorships £'000	Restricted grants £'000	Total £'000
Membership subscriptions	1,292	-	-	1,292
Support and services	1,139	43	38	1,220
Marketing and communications	-	15	-	15
Networks and influencing	5	20	130	155
Other	-	55	-	55
<b>Total</b>	<b>2,436</b>	<b>133</b>	<b>168</b>	<b>2,737</b>

2021	Membership subscriptions, conference delegate fees and charitable purpose contracts £'000	Unrestricted grants and sponsorships £'000	Restricted grants £'000	Total £'000
Membership subscriptions	1,192	20	-	1,212
Support and services	816	127	897	1,840
Marketing and communications	-	57	-	57
Networks and influencing	27	27	490	544
Other	-	273	-	273
<b>Total</b>	<b>2,035</b>	<b>504</b>	<b>1,387</b>	<b>3,926</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 3 Charitable activities (continued) – grant and project income

	Total funds 2022 £'000	Total funds 2021 £'000
<b>Unrestricted</b>		
HMRC – job retention scheme	56	439
Pears Foundation	-	20
Zurich Insurance – various	40	18
Phoenix Software – website	14	18
Phoenix Software – trustee conference	-	6
Other unrestricted income under £15,000	23	3
<b>Total unrestricted</b>	<b>133</b>	<b>504</b>
<b>Restricted</b>		
Economic and Social Research Council – Data entry	50	40
Nottingham Trent University - Covid-19 and VCSE organisations response	29	29
Centre for Ageing Better – Age-friendly and inclusive volunteering	28	-
Third Sector Resources Centre, University of Birmingham - Assessing financial vulnerability and risk in the UK's charities during and beyond the Covid crisis	18	18
Lloyds Bank Foundation for England and Wales – Resetting the relationship between charities and government	17	-
Institute of Volunteering Research - Mobilising voluntary action during and beyond the Covid crisis	15	15
New Philanthropy Capital – NCVO Charities Evaluation Services	5	10
National Lottery Community Fund – Digital fund	5	-
Barrow Cadbury – Governance Code	1	6
National Lottery Community Fund – Covid-19 support	-	998
Department of Health – Health and Wellbeing Alliance core grant	-	80
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
Esmee Fairbairn Foundation - Classifying the register	-	17
Trafigura Foundation - NCVO Charities Evaluation Services	-	17
Lloyds Bank Foundation for England and Wales – Collaboration between small and large organisations in public service delivery	-	10
CAST, acting on behalf of the Catalyst network – Digital	-	12
Other grants under £15,000 (not requiring separate disclosure)	-	-
<b>Total restricted</b>	<b>168</b>	<b>1,387</b>
<b>Total grants and project income</b>	<b>301</b>	<b>1,891</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 4 Other trading activities (all unrestricted)

	2022	2021
	£'000	£'000
Conference suite hire	399	29
Fees for services	613	595
Quality standards	85	313
Brokered services	331	301
Publications	10	11
<b>Total</b>	<b>1,438</b>	<b>1,249</b>

### 5 Investments (all unrestricted)

	2022	2021
	£'000	£'000
Dividends and interest	70	75

### 6 Expenditure

2022	Staff costs £'000	Premises costs £'000	Grant making £'000	Support costs £'000	Other expenses £'000	Governance costs £'000	Total £'000
Raising funds	640	48	-	99	237	19	1,043
<b>Charitable expenditure:</b>							
Support and services	1,652	112	-	227	589	44	2,624
Marketing and communications	579	43	-	88	150	17	877
Membership	318	22	-	45	-	9	394
Networks and influencing	901	61	5	124	70	24	1,185
Other	14	62	-	-	118	-	194
<b>Total</b>	<b>4,104</b>	<b>348</b>	<b>5</b>	<b>583</b>	<b>1,164</b>	<b>113</b>	<b>6,317</b>



## Notes to the financial statements

For the year ended 31 March 2022

### 6 Expenditure (continued)

2021	Staff costs £'000	Premises costs £'000	Grant making £'000	Support costs £'000	Other expenses £'000	Governance costs £'000	Total £'000
Raising funds	602	39	-	71	126	16	854
<b>Charitable expenditure:</b>							
Support and services	2,404	132	53	243	844	52	3,728
Marketing and communications	824	48	-	87	81	19	1,059
Membership	350	19	-	36	9	8	422
Networks and influencing	810	45	-	83	195	18	1,151
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>

'Other expenses' include commissioning £0.7million (2021: £1million), equipment / IT £0.2million (2021: £0.2million) and office costs £0.1million (2021: £0.1million). Commissioning includes fees paid to associates, as well as amounts for technology development.

Support costs are made up of the following expenditure:

	2022 £'000	2021 £'000
Accommodation costs	242	195
Travel costs	6	6
Telephone, printing, postage and stationery	50	46
Equipment and IT costs	161	110
Professional fees and consultancy	122	162
Other overheads	2	1
<b>Total</b>	<b>583</b>	<b>520</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 6 Expenditure (continued) – grants and partnership payments

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

	Total funds 2022 £'000	Total funds 2021 £'000
<b>CWFA campaign project</b>		
Local Trust	5	-
	<b>5</b>	<b>-</b>
<b>Trusted charity in Wales</b>		
WCVA	-	33
	<b>-</b>	<b>33</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>-</b>	<b>20</b>
<b>Baobab Foundation</b>		
Hackney Council for Voluntary Services	-	5
	<b>-</b>	<b>5</b>
<b>Total grants and partnership fees paid</b>	<b>5</b>	<b>58</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 7 Employees

	2022	2021
	£'000	£'000
Wages and salaries	3,159	3,879
Social security	338	378
Pension costs	332	376
Redundancy and termination costs	29	339
Recruitment	142	42
Other including temporary staff and staff training	146	50
<b>Total</b>	<b>4,146</b>	<b>5,064</b>

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

	2022	2021
	number	number
Generating funds	13	12
Support and services	29	41
Marketing and communications	11	15
Membership	6	6
Networks and influencing	16	14
<b>Total</b>	<b>75</b>	<b>88</b>

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

	2022	2021
	number	Number
£60,001–£70,000	6	6
£70,001–£80,000	-	2
£80,001–£90,000	-	1
£90,001–£100,000	1	1
£100,001–£110,000	-	1
£110,001–£120,000	1	1
£150,001–£160,000	-	1

Seven of the above staff are members of the defined contribution pension scheme (2021: 13). None are currently paying contributions into the defined benefit scheme. The pension costs for these employees are £34,374 (2021: £72,720).

## Notes to the financial statements

For the year ended 31 March 2022

### 7 Employees (continued)

Of the employees included above in the bands over £60,000 in 2021/22, none (2020/21: 6) are included due to termination payments. Overall, there were two termination payments totalling £29,867 (2020/21: £326,387 to 21 people).

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 leadership team, along with an explanation of how we set salaries for these roles and other NCVO staff. These details are included in the trustees' report. The amounts paid to the leadership team during 2021/22 were:

		Salary £	Employer's NIC £	Pension contributions £	Total 2021/22 £	Total 2020/21 £
Karl Wilding	Chief executive <sup>1</sup>	-	-	-	-	180,610
Sarah Vibert	Chief executive (from 26 January 2021)	120,000	15,340	6,816	142,156	24,246
Sarah Vibert	Director of public policy and volunteering (from 2 January 2020 to 25 January 2021)	-	-	-	-	90,896
Susan Cordingley	Deputy CEO	-	-	-	-	132,884
Megan Griffith Gray	Director of strategy and transformation (0.8 FTE)	-	-	-	-	128,668
Laura Crandley	Director of finance and services (from 19 January 2021)	92,306	11,040	5,938	109,284	22,017
Gavin Finch	Interim director of membership and engagement (from 22 March to 30 November 2021)	60,720	7,570	3,449	71,739	3,092
Tracy Kiernan	Head of central services	61,369	6,913	5,552	73,834	72,939
Gavin Finch	Head of communications, marketing and membership (to 21 March 2021)	-	-	-	-	68,176
Rupa Kotecha-Smith	Interim head of communications, marketing and membership (from 1 June 2021) (0.9 FTE)	44,491	5,123	2,527	52,141	-
Sophie Raeburn	Head of digital, data and technology	61,368	7,262	3,486	72,116	71,269
Alex Farrow	Head of networks and influencing (from 1 January 2021)	64,344	7,237	5,688	77,269	18,192
Janu Miah	Interim head of people and culture (from 6 April 2021)	60,671	7,152	3,446	71,269	-
Andrew Walkey	Head of support and services	59,194	6,723	5,290	71,207	72,632
Jarina Choudhury	Strategic volunteering lead (from 22 March 2021) (0.4 FTE)	24,743	2,698	2,231	29,672	-

## Notes to the financial statements

For the year ended 31 March 2022

### 7 Employees (continued)

<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.

### 8 Net income for the year

This is stated after charging:

	2022	2021
	£'000	£'000
Auditor's remuneration		
– audit fees	27	25
– other services	1	1
Depreciation	345	340
Bank charges	14	13
Bank interest – on building loan	37	33
Trustees' expenses	1	-

No members of the trustee board received any remuneration during the year (2021: £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. We have now opted to include all of the leadership team. Leadership team 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.

Travel and subsistence expenses reimbursed to three trustees in the period amounted to £405 (2021: £153 to one trustee), with a further £723 paid directly by NCVO for trustee costs.

## Notes to the financial statements

For the year ended 31 March 2022

	Subsistence 2022 £	UK travel 2022 £	Entertaining / networking 2022 £	Overseas travel 2022 £	Other 2022 £	Total claimed 2022 £	Total claimed 2021 £
<b>Leadership team</b>							
Chief executive	111	1,199	280	-	354	1,944	6,314
Director of finance and services	-	-	-	-	-	-	-
Director of membership and engagement	-	21	-	307	-	328	-
Head of central services	-	-	-	-	-	-	-
Head of communications, marketing and membership	-	14	-	-	-	14	-
Head of digital, data and technology	-	-	-	-	-	-	17
Head of networks and influencing	481	202	-	-	-	683	-
Head of people and culture	58	119	-	-	-	177	-
Head of support and services (home-based)	154	1,743	-	-	14	1,911	-
Strategic volunteering lead	-	-	-	-	-	-	-
Director of public policy and volunteering	-	-	-	-	-	-	85
Director of strategy and transformation	-	-	-	-	-	-	(246)
<b>Total</b>	<b>804</b>	<b>3,298</b>	<b>280</b>	<b>307</b>	<b>368</b>	<b>5,057</b>	<b>6,170</b>
<b>Trustees</b>	-	405	435	-	288	1,128	153

## Notes to the financial statements

For the year ended 31 March 2022

### 9 Tangible fixed assets (group and charity)

	Freehold land and buildings	Plant and equipment	Computer equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2021	4,919	965	1,969	2,046	9,899
Additions	-	8	72	13	93
Disposals	-	-	(1,169)	(963)	(2,132)
<b>At 31 March 2022</b>	<b>4,919</b>	<b>973</b>	<b>872</b>	<b>1,096</b>	<b>7,860</b>
<b>Depreciation</b>					
At 1 April 2021	1,159	383	1,550	1,834	4,926
Charge for the year	67	47	124	107	345
Disposals	-	-	(1,169)	(963)	(2,132)
<b>At 31 March 2022</b>	<b>1,226</b>	<b>430</b>	<b>505</b>	<b>978</b>	<b>3,139</b>
<b>Net book value</b>					
At 31 March 2021	3,760	582	419	212	4,973
<b>At 31 March 2022</b>	<b>3,693</b>	<b>543</b>	<b>367</b>	<b>118</b>	<b>4,721</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.

During the year, we have reviewed our fixed assets register and removed items which are no longer in use.

## Notes to the financial statements

For the year ended 31 March 2022

### 10 Investments (group and charity)

	Listed £'000	Cash £'000	Total £'000
<b>Market value</b>			
At 1 April 2021	2,790	66	2,856
Purchase of investments	699	(699)	-
Sale of investments	(911)	911	-
Realised gains	148	-	148
Unrealised investment gains	100	-	100
Dividend income received	-	69	69
Dividend income transferred to Barclays	-	(67)	(67)
Investment management fees	-	(21)	(21)
<b>At 31 March 2022</b>	<b>2,826</b>	<b>259</b>	<b>3,085</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)

	2022 £'000	2021 £'000
Publications	-	2

### 12 Debtors

	Consolidated 2022 £'000	Consolidated 2021 £'000	NCVO 2022 £'000	NCVO 2021 £'000
Debtors	553	429	444	402
Accrued income	172	691	120	655
Amount due from subsidiary	-	-	418	239
Prepayments	102	70	98	66
<b>Total</b>	<b>827</b>	<b>1,190</b>	<b>1,080</b>	<b>1,362</b>



## Notes to the financial statements

For the year ended 31 March 2022

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

	Consolidated 2022 £'000	Consolidated 2021 £'000	NCVO 2022 £'000	NCVO 2021 £'000
Bank loan (secured – see note 14)	169	90	169	90
Taxation and social security	127	224	105	151
Other creditors	373	407	332	359
Accrued expenditure	393	591	323	580
Deferred income	1,139	1,164	1,130	1,119
<b>Total</b>	<b>2,201</b>	<b>2,476</b>	<b>2,059</b>	<b>2,299</b>

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

	Consolidated 2022 £'000	Consolidated 2021 £'000	NCVO 2022 £'000	NCVO 2021 £'000
Membership deferred over one year	86	73	86	73
Bank loan (secured)	1,397	1,604	1,397	1,604
<b>Total</b>	<b>1,483</b>	<b>1,677</b>	<b>1,483</b>	<b>1,677</b>
Analysis of loan repayments:				
Within one year	169	90	169	90
Between one and two years	169	90	169	90
Between two and five years	1,228	1,514	1,228	1,514
<b>Balance at 31 March</b>	<b>1,566</b>	<b>1,694</b>	<b>1,566</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 £1.6million at a rate of 1.95% over the floating rate 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 2022

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

#### Reconciliation of deferred income 2021/22

	Brought forward £'000	Released into 2021/22 £'000	New deferred income £'000	Carry forward £'000
Deferred income	1,237	(488)	476	1,225
Being deferred income included in:				
Creditors: amounts falling due within one year				1,139
Creditors: amount falling due after more than one year				86
<b>Total</b>				<b>1,225</b>

#### 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>

### 15 Capital commitments

The group had no capital commitments at either year end.

## Notes to the financial statements

For the year ended 31 March 2022

### 16 Analysis of net group assets

	Unrestricted general 2022 £'000	Unrestricted designated 2022 £'000	Restricted 2022 £'000	Total funds excluding pension fund 2022 £'000	Pension fund 2022 £'000	Total 2022 £'000
Tangible fixed assets	-	4,721	-	4,721	-	4,721
Investments	3,085	-	-	3,085	-	3,085
Net current assets (excluding loan)	408	85	90	583	-	583
Deferred membership due after more than one year	(86)	-	-	(86)	-	(86)
Pension fund	-	-	-	-	-	-
Loan	-	(1,566)	-	(1,566)	-	(1,566)
<b>Total</b>	<b>3,407</b>	<b>3,240</b>	<b>90</b>	<b>6,737</b>	<b>-</b>	<b>6,737</b>

NCVO's general reserves of £3.4million (2021: £3.8million) are made up of investments and net current assets, adjusted for loans.

	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>

## Notes to the financial statements

For the year ended 31 March 2022

### 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 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Net gains £'000	Balance 31 March 2022 £'000
Fixed assets	3,278	-	-	(125)	-	3,153
Property maintenance	28	-	-	-	-	28
Digital investment	37	-	(62)	62	-	37
Equipment	42	-	(16)	(22)	-	4
Equity, diversity and inclusion	30	-	(30)	-	-	-
People	133	-	(126)	(7)	-	-
Governance	23	-	(23)	-	-	-
Policy and research	44	-	(13)	(13)	-	18
Other	6	-	(6)	-	-	-
<b>Designated funds</b>	<b>3,621</b>	<b>-</b>	<b>(276)</b>	<b>(105)</b>	<b>-</b>	<b>3,240</b>
General funds	3,757	5,183	(5,585)	(196)	248	3,407
Pension reserves	(2,729)	-	(130)	301	2,558	-
<b>Total</b>	<b>4,649</b>	<b>5,183</b>	<b>(5,991)</b>	<b>-</b>	<b>2,806</b>	<b>6,647</b>

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Net gains £'000	Balance 31 March 2021 £'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 the operating profit of joint ventures referenced on the SOFA.

## Notes to the financial statements

For the year ended 31 March 2022

### 17 Movement in group funds (continued)

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 was allocated to meet one off costs for advisors to support our cultural change programme.

- **Governance**

Trustees 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 2022

## 17 Movement in group funds (continued)

### Restricted funds 2021/22

	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
The National Lottery Community Fund: Digital Fund	194	5	(156)	-	43
Economic and Research Council: data partnership including data entry	4	50	(54)	-	-
Nottingham Trent University: Covid-19 research	-	29	(29)	-	-
Centre for Ageing Well: Age-friendly and inclusive volunteering	-	28	-	-	28
Third Sector Research Centre, University of Birmingham: Covid-19 research	-	18	(18)	-	-
Lloyds Bank Foundation for England and Wales: Resetting the relationship with government	-	17	(17)	-	-
Various: Governance Code	15	1	(8)	-	8
University of Northumbria: Covid-19 research	-	15	(15)	-	-
New Philanthropy Capital: NCVO Charities Evaluation Services	5	5	(10)	-	-
Lloyds Bank Foundation for England and Wales: Rebalancing the Relationship	10	-	(10)	-	-
Various: Public Trust	8	-	(1)	-	7
Esmee Fairbairn Foundation: Digital content	6	-	(6)	-	-
Leadership (legacy)	3	-	-	-	3
Esmee Fairbairn Foundation: Classifying the register	2	-	(2)	-	-
CSIS Charity Fund: Working for a Charity bursaries	1	-	-	-	1
<b>Total</b>	<b>248</b>	<b>168</b>	<b>(326)</b>	<b>-</b>	<b>90</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 17 Movement in group funds (continued)

Those areas with restricted funds to be carried forward into 2022/23 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.
- **Age-friendly and inclusive volunteering: Centre for Ageing Better**  
A project to embed and spread the concept and practice of age friendly inclusive volunteering.
- **Governance Code**  
For the provision of ongoing stewardship of the Code.
- **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.

Notes to the financial statements  
For the year ended 31 March 2022

**17 Movement in group funds (continued)**

**Restricted funds 2020/21**

	1 April 2020	Income	Expenditure	Transfers	31 March 2021
	£'000	£'000	£'000	£'000	£'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)	-	-
Esme 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)	-	-
Esme 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 2022

### 17 Movement in group funds (continued)

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.
- **Esmee 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
- **Esmee Fairbairn Foundation: Classifying the register**  
To develop an automated classification of charities in the charity register.

#### 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.

## Notes to the financial statements

For the year ended 31 March 2022

### 17 Movement in group funds (continued)

**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.

**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.

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 £496,000 (2021: £462,000). In addition, £207,000 (2021: £205,000) is held in a separate bank account. These funds are excluded from NCVO's accounts.

## Notes to the financial statements

For the year ended 31 March 2022

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

	2022	2021
	£'000	£'000
<b>Net (expenditure) / income for the year</b>	(718)	602
Adjustments for:		
Depreciation	345	340
(Gain) / loss on investments	(248)	(518)
Investment of donations from the Ross and Stern Trusts	-	(97)
Dividends and interest from investments	(70)	(73)
Interest on bank loan	37	33
Non-cash difference between defined benefit pension contributions paid and amount charged to SOFA	(171)	(478)
Decrease / (increase) in stocks	2	2
Decrease / (increase) in debtors	363	566
(Decrease) / increase in creditors	(341)	(391)
<b>Net cash (used) / provided by operating activities</b>	<b>(801)</b>	<b>(14)</b>

### 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:

		2022	2021
	Note	£'000	£'000
Defined contribution scheme costs		202	268
Defined benefit scheme past service cost		55	22
Defined benefit scheme expenses		75	86
<b>Total cost</b>	<b>7</b>	<b>332</b>	<b>376</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.

## Notes to the financial statements

For the year ended 31 March 2022

### 19 Post-employment benefits (continued)

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

	2022	2021
	%	%
Rate of increase in salaries	3.52	3.30
Rate of increase in pensions in payment	3.08	2.85
Discount rate	2.78	2.10
Inflation assumption (CPI)	3.21	2.95

The mortality assumptions adopted at 31 March 2022 imply the following life expectations:

	2022 Years
Male retiring in 2022	21.8
Female retiring in 2022	24.1
Male retiring in 2042	23.1
Female retiring in 2042	25.5

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

	2022	2021
	£'000	£'000
Fair value of plan assets	30,344	29,664
Present value of defined benefit obligation	(29,730)	(32,393)
Effect of asset ceiling	(614)	-
<b>Deficit in scheme and liability recognised</b>	<b>-</b>	<b>(2,729)</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 19 Post-employment benefits (continued)

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

	2022	2021
	£'000	£'000
Defined benefit obligation at start of period	32,393	26,512
Interest expenses	670	603
Past service costs (GMP equalisation)	-	22
Benefits paid and expenses	(950)	(630)
Actuarial (loss) / gain on changes in financial and demographic assumptions	(2,772)	5,996
Experience gain on liabilities	389	(110)
<b>Total</b>	<b>29,730</b>	<b>32,393</b>

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

	2022	2021
	£'000	£'000
Fair value of scheme assets at start of period	29,664	27,704
Interest income	615	636
Expenses	(75)	(86)
Return on assets excluding interest income	789	1,454
Contributions by the employer	301	586
Benefits paid and expenses	(950)	(630)
<b>Total</b>	<b>30,344</b>	<b>29,664</b>

#### Actuarial gain / (loss) recognised in the SOFA

	2022	2021
	£'000	£'000
Gain on scheme assets	789	1,454
Experience (loss) / gain arising on the scheme liabilities	(389)	110
Gain / (loss) as a result of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	2,772	(5,996)
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	(614)	-
<b>Total actuarial gain / (loss) recognised in SOFA</b>	<b>2,558</b>	<b>(3,207)</b>

The scheme assets exceeded the scheme liabilities at 31 March 2022 giving a net surplus of £614,000. In the opinion of NCVO's trustees the net surplus will not be recoverable so was not recognised as an asset in the balance sheet.

## Notes to the financial statements

For the year ended 31 March 2022

### 19 Post-employment benefits (continued)

#### Scheme assets

	2022	2021
	£'000	£'000
Equity type assets	4,435	3,377
Bonds	13,722	14,482
Property	2,203	1,845
Other	9,984	9,960
<b>Total assets</b>	<b>30,344</b>	<b>29,664</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

The charity was notified by the trustee of the charity's defined benefit pension scheme of a possible liability that existed at 31 March 2022. 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 £4.2million.

### 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.

### 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 23 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.

Some trustees work for organisations which are members of NCVO or use their services. These transactions all take place at arms length.

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 2022

### 22 Related parties (continued)

In 2020/21, NCVO contributed £5,000 to the set up of the Baobab Foundation via Hackney CVS. One of our trustees at the time, Jake Ferguson, is the co-founder of the Baobab Foundation and was 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 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 £389,000 for the year ended 31 March 2022 (2021: £284,000). The investment at cost is £1.

	2022 £'000	2021 £'000
<b>Summary profit and loss account</b>		
Turnover	814	401
Cost of sales	(404)	(116)
Gross profit	410	285
Expenditure	(21)	(1)
Net profit from operations	389	284
<b>Payable to NCVO under deed of covenant</b>	<b>(389)</b>	<b>(284)</b>
<b>Summary balance sheet</b>		
Debtors	165	68
Cash at bank and in-hand	395	348
	<b>560</b>	<b>416</b>
Creditors: amounts falling due within one year	(560)	(416)
Creditors: amounts falling due after one year	-	-
<b>Net assets</b>	<b>-</b>	<b>-</b>