

**National Association for Voluntary and Community
Action**

Annual review & financial statements Year ended 31 March 2016

Company Number: 2575206

Contents

	Page
Charity Reference and administrative details	1
Chair's report	3
Trustees' report	4
Independent Auditors' report	19
Statement of financial activities including income and expenditure account.....	21
Balance sheet	22
Statement of Cash Flows.....	23
Notes to the accounts	24

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Legal and administrative details

Legal status

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

Directors and trustees

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

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

Caroline Schwaller MBE	Chair
John Tizard	Vice-Chair Appointed November 2015
Soo Nevison	Treasurer
Melanie Mills	Appointed July 2016
Becky Shaw	Appointed July 2016
Wendy Stephens	Appointed November 2015
Judy Robinson	Appointed November 2015
Dinah Lane	
Mike Wild	
Sajid Hashmi MBE	
Will Lindesay	
Jake Ferguson	Retired November 2015
Sue Dovey	Retired November 2015

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

Chief Executive

Neil Cleeveley

Company Secretary

Isabel Hartland

Principal and Registered Office

Churchill House
6-8 Meeting House Lane
Sheffield
S1 2DP

Auditors

Barber Harrison & Platt
2 Rutland Park
Sheffield
S10 2PD

Bankers

Unity Trust Bank plc
Nine Brindleyplace
4 Oozells Square
Birmingham
B1 2HB

Investment Managers

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

Chair's Report

I am delighted to introduce the Annual Accounts and Trustees' Report 2015-16. The next few pages provide what I hope is a useful insight into our work at the centre of a movement for social change. We continue to place our members at the heart of everything we do, not simply because they are our members but because we see first-hand how much they do to help people to enrich their own lives and the lives of others. Whilst we celebrate the great things that local infrastructure does we are not complacent and we must and will challenge ourselves and our members to do better.

The prevailing winds may make it hard to stay on course but we are determined to remain true to the principles we set out at our AGM in October 2015. We are well placed to make the case for "localism, devolution and decentralisation as a means of democratic renewal" and inclusive growth, rather than simply as a driver of economic growth and the construction of physical infrastructure.

We have started to explore "alternative ways of operating, funding and engaging with local communities". Working with a group of members we laid the foundations for an application to the Access Foundation for a NAVCA led social investment fund; I hope you will hear more about this in the year ahead. We brought members together on a number of occasions to look at how we might cultivate a more collaborative community-led approach to health and well-being; I know that shifting institutional boundaries have created a complex web of relationships and we are keen to help members collaborate to ensure that local communities are not left behind.

We held nationwide workshops with NCVO to develop concrete actions in response to *Change for Good*. As a result, we plan to offer more opportunities for members to share and learn from each other and develop the skills to navigate whatever the future may bring. The workshops confirmed that we must do more to demonstrate the social and economic impact of infrastructure and the groups we support. Infrastructure remains crucial to getting local people's voices heard and enabling social action to help address complex personal needs and tackle difficult social issues.

Finally, it is reassuring to know that in these uncertain times others see the value of our movement. The Richmond Group's *Untapped Potential* highlights our role as "existing local infrastructure to coordinate with the VCS in both health and social care" and where none exists to "make long-term investments in infrastructure and capacity building". It is clear that large national charities as well as smaller grass roots groups know that they cannot meet the demands of the future without us.

In these uncertain times we must be bold in asserting the values of our movement; not least, that local infrastructure is at the heart of local social action.

Caroline Schwaller

Chair

Trustees' report

The trustees, who are also directors for the purposes of company law, are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2016.

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

The financial statements comply with current statutory requirements and the Statement of Recommended Practice – Accounting and Reporting by Charities issued in March 2006.

Structure, governance and management

Governing document

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

Appointment of trustees

The trustees who have served during the year and since the year end are set out on page one. The trustees are elected annually by the members of the charity and serve for an initial period of three years. A further three-year term may be served. Trustees must be nominated by member organisations. The Board may also appoint up to three trustees in order to ensure it has an appropriate range of skills and experience. These trustees shall be eligible for re-appointment provided that they do not hold office for more than six consecutive years as an appointed or elected trustee.

All trustees give their time freely and no trustee was paid during the year. Details of trustee expenses and related party transactions are disclosed in note 11 and 24 to the accounts respectively. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the organisation's Memorandum and Articles, withdraw from decisions where a conflict of interest arises.

Trustee induction and training

National Association for Voluntary and Community Action provides an induction day for all new trustees. We also supply them with a handbook with wide-ranging contents.

Trustees are encouraged to attend appropriate training courses and conferences. National Association for Voluntary and Community Action has a specific budget for this purpose.

Internal control and risk management

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

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

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

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

Objectives and activities

The National Association for Voluntary and Community Action is the national voice for local charity infrastructure. The cornerstone of National Association for Voluntary and Community Action's success and the primary way we demonstrate our commitment to local voluntary and community action is by providing leadership and support to our members. We exist to support a vibrant network of local infrastructure charities across England, and to help them grow in strength, confidence and impact. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's strategic aims and in planning future activities.

Realising our values

NAVCA Strategy 2015-18

NAVCA is at the centre of a movement for social change. We are a campaigning movement committed to collaboration, social justice and diversity; one that springs from the energy and resources of communities across England.

Our members are local infrastructure bodies that convene and broker social action. They bring people together in solidarity and mutual support, stimulating new initiatives and enabling voluntary and community organisations to be more resilient and resourceful in response to local needs. Members of our movement are independent of the state and locally accountable to the people and communities they serve, offering them a voice to shape and control local services.

NAVCA's strategy is informed by *Change for Good*, the report of the Independent Commission on the Future of Local Infrastructure, which said:

"Infrastructure matters in all the major areas of our lives and the social sector is no exception. Local social action plays an enormous part in the wellbeing of communities in this country and it needs to be recognised, nurtured and enabled."

Social action encompasses voluntary and community action and complements our public services, making them stronger and smarter. It is a counter-balance to corporate and institutional power. It champions localism, devolution and decentralisation as a means of democratic renewal. Social action demands that we are open to alternative ways of operating, funding and engaging with local communities.

Our vision is that everyone is able to fulfil their potential and shape their environment through social action.

Our mission is to strengthen and champion social action through local infrastructure.

Our values – in pursuit of our mission, we value:

- **Collaboration** - We can achieve more if we collaborate with others. A collaborative civil society contributes to greater equality and helps create a stronger, fairer and more co-operative economy.
- **Social justice** - We speak out against disadvantage and discrimination and support a strong civil society which champions democratic renewal, civil liberty and human rights.
- **Diversity** - We celebrate and champion the diversity of our society – everyone has a right to participate in decisions that affect their lives. By encouraging and supporting people to be involved in social action we confront inequality, challenge prejudice and help improve society.

Putting our values into practice:

NAVCA provides a national focus for strengthening and promoting social action through infrastructure. In partnership with our members, we are a collective resource, network and advocate for social action. Our members' reach into, and knowledge of, their communities gives our collective voice an unrivalled legitimacy and authority.

Supporting members - We will support our members to be more efficient and effective. Through increased collaboration we will

- Encourage our members to operate according to our values and to share and promote them more widely
- Broker the sharing of skills, knowledge and experience
- Provide a forum where members can share tools, resources and products
- Utilise shared intelligence to nurture and support social action

- Champion our members' role in fostering community-led solutions through social action

Strengthening members - We will support our members to be strong institutions which are well governed, accountable to and rooted in the communities of place, identity and interest they serve. We will:

- Support trustees and staff of member organisations in developing and sustaining local voluntary and community action
- Help members to demonstrate the reach, social value, economic contribution and impact of their work
- Provide leadership and challenge in our shared mission to strengthen social action
- Collaborate with our members, and encourage them to collaborate with each other, to co-produce solutions for social action

A collective voice for national influence - We will maintain a distinctive national voice on behalf of social action, and the role of local infrastructure, in order to stimulate an environment where it can flourish. We will:

- Build a strong collective voice nationally, sub-regionally and locally
- Speak out boldly in defence of the most vulnerable and disadvantaged in society, particularly where state and public institutions fail to address their needs
- Make the case for grants as a cost effective means of investing in social action, as part of a wider funding mix.
- Demonstrate the impact of infrastructure and the case for investment in it as a catalyst for change.
- Collaborate and build partnerships to secure our mission, vision and values.

As *Change for Good* says, the task for our movement is "to lead change, identify new solutions, and continually refresh and renew support for, and approaches to, social action."

Success, partnership, values

NAVCA's membership provides the biggest voluntary sector network in the country. Our membership of 200 local infrastructure organisations covers over 95% of communities in England. They support over 160,000 local charities and community groups. More than just a membership network, our members are part of a movement committed to helping communities and people come together to undertake local voluntary action. This may be to improve their local area, pursue shared interests, support each other or campaign for change.

The environment for small and medium sized charities and groups has never been tougher. Therefore the commitment and ability of NAVCA members to share tools, resources and knowledge is more important than ever for supporting greater social action.

And this environment is as tough if not tougher for infrastructure and NAVCA has not been immune. The ending of big national funding streams, such as ChangeUp and the Big Lottery's Basis, has meant NAVCA's income has fallen from £2.6 million in 2012/13 to around £500,000 in 2015/16.

However, prudent governance means that NAVCA has a strong reserve position. This affords us the opportunity to take firm control of our destiny. NAVCA's Trustee Board agreed a three year strategy that started in 2015/16.

The starting point for this strategy is that people and communities deserve to be able to access quality local infrastructure services regardless of where they are. It sees a national body for local infrastructure as a crucial part of achieving this.

This strategy identified two primary objectives:

1. Building and maintaining a strong and engaged membership covering every part of England.
2. Providing a powerful and influential national voice on behalf of our members and through them local voluntary and community action.

Key success of 2015/16

- **Renewing our vision, mission and values statement.** Unanimously approved by members at our AGM, *Realising our Values* has given NAVCA a new vigour to our work supporting local social action.
- **Change for Good.** We followed up last year's report from the Commission on the Future of Local Infrastructure by working with NCVO's Big Assist team on a series of networking and learning events with members held across the country to explore ways to support and promote high quality infrastructure.
- **Social prescribing.** NAVCA members are at the forefront of social prescribing. We promoted members' success and supported members to develop work through information, briefings, a social prescribing event and a new email network.
- **Social investment to support smaller organisations.** We worked with the Access Foundation for Social Investment and a small number of members to lay the foundations for social investment that will benefit smaller organisations.
- **A strong voice for members.** An analysis published by Civil Society News in August 2015 on ministers' meetings during the last Parliament showed NAVCA met with Cabinet Office ministers on eight occasions. Only six other organisations achieved this level of access.
- **New website.** In March 2016 we launched a streamlined and modern looking website. As well as being more attractive, it has made it easier to find and use information members and other visitors need.

1. Building and maintaining a strong and engaged membership covering every part of England.

1.1 New membership strategy

This year saw NAVCA agree and begin implementation of a new membership strategy. A strong and engaged membership is central to NAVCA delivering our mission and this new strategy placed members much more firmly at the centre of NAVCA's activity. The strategy also built upon findings from Change for Good, the report published in January 2015 by the Independent Commission on the future of Local Infrastructure established by NAVCA.

The strategy re-designed our offer to members. The focus was put on brokering relationships, especially in co-production with members and other strategic partners. There was a move away from providing specific products and services to members and instead it looked at creating more meaningful activities with members, delivered by members, and creating an active network for lobbying and sharing expertise.

1.2 Strong network of members

Local infrastructure finds itself in a tough funding environment. This has forced a small number of NAVCA members to close. There have also been a number of mergers. This has meant that NAVCA membership reduced to just over 220 members in 2015/16. However, mergers and members taking on responsibility for neighbouring areas following closures means that there has been only a slight decline in the geographical reach of the NAVCA network. Through our network we help knowledge and resources to be shared, making it as easy as possible for people to set up and run successful voluntary organisations wherever they live in England.

We recognise the importance of our network having national coverage. This is why we reduced our membership fees for smaller organisations in 2015/16. All communities deserve good infrastructure support and smaller infrastructure organisations often have the most to gain from membership. Reducing our membership fees for these members means that people and communities in these areas can continue to benefit from the knowledge and expertise of the whole network.

1.3 Keeping members informed

NAVCA members value the information they get from NAVCA and more importantly the exchange of information that NAVCA facilitates between members. In 2015/16 we received 1250 enquiries from members – an average of 5 enquiries every working day. By helping with enquiries we spread good practice and importantly allow members maximise the time and resources they can spend on supporting social action.

We produce regular information for members to help them better understand emerging issues, horizon-scan and make sense of national initiatives policy. An example of a briefing produced in 2015/16 was one to help members understand NHS England's

Sustainability and Transformation Plans and the key role local infrastructure could play in helping local people be involved.

In 2016 we launched a new website. This was a major piece of work but worth the investment of time and money because this is the primary way members access our information. The new website is a lot less cluttered and has a modern look and feel. Its search function makes it a lot easier for members to find the information they need. The next stage of development will include creating a members section to allow members to share information online.

NAVCA also provide members with direct support. We are able to offer governance reviews, individual coaching and mediation services for members in 2015/16 we provided unpaid support to members six times, helping local areas benefit from strong local infrastructure support.

1.4 Excellence through sharing

NAVCA is the only national network for local infrastructure organisations. Membership of our network makes members more efficient. Rather than having to continually invent the wheel or find new solutions, members can look to other similar organisations across the country and learn from them. Through our email network for Chief Officers (COIN) we provide a simple way for members to ask each other questions, share intelligence and pass on good practice. During 2015/16 there was an average of 100 COIN posts a month on topics such as fuel poverty, collective purchasing, discretionary rates and working with refugees. In 2015/16 we increased opportunities for networking and sharing of good practice across the movement by creating the CHAIN network for Chairs and a social prescribing network.

NAVCA also bring members together in events aimed specifically for local infrastructure. This is of great value to members who spend much of their time helping others and rarely get the chance to talk about themselves or discussing solution to the problems they face. In 2015/16 we held a meeting with members involved in social prescribing, got members together to discuss the future of infrastructure following the commission and held our Chief Officer's Residential Event (CORE).

Our 2015 CORE values conference brought leaders of local infrastructure together for two days in Manchester to debate core values and how to put them at the heart of everything we do. It was an opportunity for senior managers to step back, reflect and share successes and frustrations with peers. It also provides an opportunity to improve local infrastructure by helping chief officers make new contacts, learn new skills and share good practice.

1.5 Securing new sources of support

Funding is tough for local infrastructure yet support for social action is needed more than ever in an era of austerity and fewer public services to support people and communities. NAVCA supports people and communities by helping our members find innovative ways to support social action.

NAVCA has always argued that to thrive, the voluntary sector needs a funding mix that includes grants, contracts, donations and social finance. In 2015 NAVCA started work with a small group of members to tackle the problem that all social finance initiatives so far have failed to be relevant for smaller voluntary sector organisations and take up of social finances by smaller charities is almost non-existent. We linked up with the Access Foundation on an application to its Growth Fund application to create a blended investment fund of loans and grants for local groups. We plan to trial it with a small group of members and, if successful, will look for further investment so that it can be extended. Our plan is to link this to the Access Capacity Building Fund so that you NAVCA members can offer a triage service that would direct local groups to the most appropriate fund.

This is not for everyone and we see it as part of a mixed economy of funding, where grants should be and essential part of the picture. So throughout the year we supported the newly formed Grants for Good campaign, the successor of the Local Grants Forum founded by NAVCA in 2007.

NAVCA members are at the forefront of work to increase the support for social action from local businesses. NAVCA is part of the Office of Civil Society's Skills Exchange Steering Group, helping to develop ideas to allow businesses to support local charities, especially through employee skill sharing schemes. The Conservative 2015 General election manifesto made a pledge to allow employees in the public sector and in companies with more than 250 employees to have a right to three days paid volunteering leave. Through the Skills Sharing Exchange Group, NAVCA made sure that local charities are included in plans to make the pledge reality. We used this forum to make the case that success will be increased by paying for brokerage and using existing volunteering infrastructure.

2015/16 was also the final year of Big Assist. BIG Assist was a pilot programme from the Big Lottery Fund offering support to infrastructure organisations. The aim was to help them to adapt and change to meet a challenging environment. NAVCA were one of the biggest providers of support under Big Assist, helping 23 organisations in 2015/16. We were also the only supplier who ensured that learning, knowledge and intelligence gained through Big Assist work was used to help all NAVCA members. This meant that the benefit gained was wider than just to the voucher holder. This meant NAVCA's involvement in Big Assist increased public benefit was created better value for money for the Big Lottery Fund.

1.6 Building on Change for Good

Change for Good was the report of the Independent Commission on the Future of Local Infrastructure. The report was launched at a Parliamentary event in January 2015 at which NAVCA pledged to work on the recommendations throughout 2015/16.

In May 2015 we held an event with other national infrastructure bodies to seek agreement on the findings of the Commission. We also worked with NCVO's Big Assist team to hold a series of meetings across the country to look at how the report and its recommendations. From these meetings we agreed that NAVCA's offer to local infrastructure organisations will be shaped around four key aims:

- Local infrastructure is at the heart of social action
- Helping infrastructure adapt to the future
- Presenting evidence of social and economic impact of Infrastructure and social action
- Helping you broker new resources

2. Providing a powerful and influential national voice on behalf of our members and through them local voluntary and community action.

2.1 Representing local at a national level

National decision makers often fail to hear the voices of smaller charities and community groups. Their voice is often drowned out by larger organisations and as a result policies and rules are made that are not necessarily best for the whole sector.

Our effectiveness at being able to reach key politicians was demonstrated by an analysis published by Civil Society News in August 2015 of ministers' meetings during the last Parliament. This analysis showed NAVCA met with Cabinet Office ministers on eight occasions. Only six other organisations achieved this level of access.

In 2015/16 NAVCA continued to work on influencing across a range of government departments, reflecting the wide variety of work undertaken by local infrastructure organisations. As well as NAVCA's work with the Cabinet Office, our Chief Executive Neil Cleeveley chairs DCLG's Communities Partnership Board. This has enabled NAVCA to promote our principles for devolution and advocating for community participation in devolution.

NAVCA was also a Health and Care VCSE Strategic Partner. As a strategic partner NAVCA can work with decision makers across the NHS, including ministers to ensure that the voluntary sector is fully engaged in the design and delivery of health and care services.

NAVCA also made sure that we worked with key funders of local social action and during 2015/16 we met with key funders including the Big Lottery Fund, Lloyds Bank Foundation and Access, the foundation for social investment.

2.2 A national voice

NAVCA provides a strong national voice for local social action. No-one else can speak with such authority about the issues that affect people from getting involved in local social action. This helps decision makers understand the barriers and take action to overcome them. We also help decision makers to understand ways to increase social action and get more people involved to the benefit of local communities.

A key way that NAVCA can influence decision making affecting local social action is through responding to relevant consultations from Government and other bodies. In this way we get the issues affecting local social action higher up the agenda. We responded to five consultations on 2015/16 including consultations concerning Judicial Review, charity campaigning and the VCSE review carried out by NHS England, Public Health England and the Department of Health.

We also worked with other national umbrella charities, including the Charity Finance Group, Locality and NVCO, to produce joint letters to the Chancellor ahead of the Autumn Statement and the Budget.

The joint letter is a good example of how NAVCA can amplify its voice by working in partnership with allies. NAVCA 2015-18 strategic plan identified partnership working as a key way to maintain impact with fewer resources. It helped maintain support for people and. In 2015 we brokered resources and developed relationships as part of a partnership called Voluntary Voices. This was a partnership with National Voices, Regional Voices and Volunteering Matters that helped us pool our expertise and knowledge to promote local social action and support people to take control of their own health services. In 2015 we also started exploring the potential of a Local Communities Alliance, with ACRE and Locality.

We also partnered with Locality on an influential document called Devolution for People and Communities: The five key principles of devolution. We worked alongside local members in West Yorkshire to produce this document setting out the key principles that should be followed in any area looking to devolve power. The principles put involving people and communities at the heart of devolution and were produced in response to a series of deals that failed to give power to communities of people. This report positioned NAVCA and Locality at the forefront of voluntary sector discussion of devolution.

We also worked with locality over the year to promote the use of Community Rights. Both getting NAVCA members to understand how they can be used to support local communities and helping them to support local communities to use them.

2.3 A Strong Voice

As well as influencing decision makers we aim to get the voice of local social action heard more generally to help create an atmosphere where it can flourish, people can more easily set up and run local voluntary organisations and the contribution of local infrastructure is better understood and valued. Our communications work allows us to raise and get coverage for issues that otherwise would not be heard.

In 2015/16 NAVCA produced 25 press releases and regularly provided quotes to the media. This resulted in 75 media mentions. This ensured that the voice of local social action was included in the voluntary sector press and that the news was not always monopolised by bigger charities, government and major funders.

We produce a weekly ebulletin called Linx. Linx is sent to almost 2000 subscribers, including NAVCA members, staff and volunteers of other voluntary organisations, civil

servants and officials. We are often told that they find this ebulletin to be the most comprehensive voluntary sector ebulletin that exists. It receives above average opens and click-throughs when comparisons are made with other voluntary sector ebulletins.

We also produce a monthly Health and Care ebulletin aimed at staff of NAVCA members involved in this work. It provides general information about policy developments, reports and relevant information for local infrastructure concerning health and care.

In 2015/16 we set out to improve the way we used twitter. We wanted to have more prominence by tweeting a greater number of messages to a growing following. We also wanted to have more engagement with other twitter users including having messages re-tweeted and replied to. By April 2016 we had reached 8,884 followers a rise of 1,500 over the year. Using twitter analytics we could also see a noticeable rise in the number of engagements over the year.

2.4 At the heart of health

Supporting and promoting the role of charities and community groups in improving people's health and wellbeing is a major part of NAVCA's work and a significant source of funding. NAVCA is part of the Health and Care VCSE Strategic Partnership. This is a partnership of over 70 charities supported by the Department of Health, NHS England and Public Health England. The NHS and care systems are making it clear that the VCSE is vital for creating a future health and care system that is fit for purpose and affordable. This partnership harnesses the power of the VCSE sector to engage in the process of transformation, making sure that people's voices are heard.

Of all parts of government, health services are showing they most understand the role charities and community groups can play in giving local people and communities control over their own services. This is largely driven by the growing evidence base that giving people this control can improve health outcomes and increase efficiency. This means a lot of the innovative work between government and the voluntary sector is coming out of health work. This is why NAVCA has worked so hard to build strategic relationships with statutory health bodies.

NAVCA's work as a Strategic Partner aims to increase the use of local health solutions from community based sources. As the only recognised national body representing local infrastructure, we use our unique network and reach to help local charities and community groups provide community based services and develop evidence based arguments about local need. Our national expertise helps local commissioners understand and navigate their voluntary sector.

Among the work relating to health that NAVCA were involved with in 2015/16, notable achievements are:

- **Winter Pressures/Systems Resilience Group:** We co-facilitated the strategic partners sub group in 2015/16. The years' work culminated in producing a Single Point of Contact (SPOC) discussion paper informed by leading two focus group sessions. This generated a lot of interest across the health and care system as a

way of making commissioning easier to ultimately improve health outcomes. Many NAVCA members are acting as SPOC's or looking to act as SPOCs. It is important as a way to allow smaller voluntary organisations to be involved in delivering public services and giving people proper choice over their services. It led to us delivering a workshop at the Cabinet Office symposium on how the SPOC could be an enabler for health as a social movement, mobilising social action and volunteering.

- **Social prescribing:** NAVCA members are leading the way on social prescribing models. We supported the National Social Prescribing network feeding in from our own member social prescribing network, set up following our event bringing 58 members together. We are making social prescribing better understood by commissioners and helping local infrastructure to support each other to set up local schemes. This is important as research, especially from the good practice from VA Rotherham, shows social prescribing can improve health outcomes and save money.
- **Realising the Value:** Smaller charities often struggle to get commissioners to understand or be able to measure the value of their work. This project, led by Nesta, will ultimately help charities to tackle this issue. The work started in May 2015. As part of the voluntary voices consortium NAVCA provided the practical site support to the five local partner sites and helped them design their communities of interest to capture the learning from peer support, self-management, health and group coaching and asset based commissioning.
- **Communications:** Our national reach into local voluntary sectors enables us to effectively communicate system partner messages and we co-ordinated the largest charity survey on behalf of all the Strategic Partners. Findings from survey showed 55% of charities had been involved in influencing local NHS bodies.
- **VCSE Review:** We delivered and workshopped the national presentation at CORE, our chief officers event. The feedback from so many members formed the basis of much of content of the final report and the recommendations, particularly those relating to infrastructure.

Reserves policy

NAVCA's reserves policy is to maintain a sufficient level of free reserves to enable the delivery of its strategic plan. In 2015 NAVCA was restructured and a new strategic plan was put in place that put our members and their work at the heart of all of our work. Having reached the end of the first year of the three year strategic plan the trustees have re-assessed the level of reserves required over the next two years and have set the target level at £600k with £455k being designated to underwrite the strategic plan and £145k as a working capital buffer. The total free and designated reserves at the 31 March 2016 were £670k. The trustees monitor and review the level of reserves at each board meeting and take appropriate action as required.

Financial review

As expected, 2015/16 was another financially challenging year but with the implementation of the three year strategic plan the unrestricted deficit, before pension and investment adjustments decreased from £389k in 2014/15 to £121k.

Total income decreased by £267k, 86% of the decrease was in unrestricted income. The restructuring and re-focusing of the organisation, which was part of the three year strategy, saw a reduction in unrestricted costs of £534k.

The adoption of FRS102 meant that the pension liability was recognised in the balance sheet for the first time. This resulted in the addition of a £41k liability to the 2014/15 accounts rising to a £60k liability in the 2015/16 accounts. Investments were also hit in the year with a £36k decrease in value - £49k unrealised loss and a £13k realised gain.

The overall year end position was a deficit of £145k (2014/15 £307k).

Investment powers and policy

Under its Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. At the end of the year almost £543k had been invested. The remainder of the organisation's funds are held in deposit accounts. Funds are moved between accounts so as to maximise the interest earned. Bank interest receivable during the year amounted to £1,086.

The performance of the portfolio is measured primarily against a bespoke total return benchmark, which is CPI + 5% per annum. During the 2015/16 financial year the portfolio produced a total return of -3.5% against that of 5.5% by the bespoke benchmark.

The portfolio performance is measured against the FTSE APCIMS Balanced benchmark. The total portfolio return for the year was -3.5% against a benchmark of CPI +5% +5.5%. The capital return was -5.9% against a benchmark of -3.5% and the income yield was +2.8% against a benchmark of +3.1%. The trustees have considered the performance and taking into account the high degree of uncertainty in the markets they are considering all of the investment options available to them.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Barber Harrison & Platt, were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in office, subject to the approval of members in a general meeting.

Signed on behalf of the board



Caroline Schwaller

Chair

Date: 25/10/2016

Independent auditor's report for the year ended 31 March 2016

Independent Auditor's Report to the members of the National Association for Voluntary and Community Action

We have audited the financial statements of National Association for Voluntary and Community Action for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, and of its 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or

the charitable company 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; or

Philip Allsop (Senior Statutory Auditor)

For and on behalf of BHP, Chartered Accountants

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date 26 October 2016

Statement of financial activities (incorporating an income and expenditure account)

Year ended 31 March 2016

		2016			2015
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Income and endowments from:					
Charitable activities	3	282,821	193,945	-	476,766
Investments	4	19,089	-	-	19,089
Total income and endowments		301,910	193,945	-	495,855
Expenditure on:					
Raising funds	5	(4,789)	-	-	(4,789)
Charitable activities	6	(382,121)	(194,140)	-	(576,261)
Total expenditure		(386,910)	(194,140)	-	(581,050)
Net (losses) / gains on investments	14	(36,079)	-	-	(36,079)
Net expenditure		(121,079)	(195)	-	(121,274)
Other recognised gains / losses:					
Re-measurement loss on defined benefit pension plan	23	(24,175)	-	-	(24,175)
Net movement in funds		(145,254)	(195)	-	(145,449)
Reconciliation of funds:					
Total funds brought forward		815,416	54,863	4,588	874,867
Total funds carried forward		670,162	54,668	4,588	874,867

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The deficit for the year for Companies Act 2016 purposes is the Net Expenditure of £121,274 (2015: £304,902).

Balance sheet as at 31 March 2016

	<u>Note</u>	2016 £ Total	2015 £ Total
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	2,275	4,550
Investments	14	624,039	667,599
		<u>626,314</u>	<u>672,149</u>
Current assets			
Debtors	15	127,983	110,263
Cash at bank and in hand		196,686	318,558
		<u>324,669</u>	<u>428,821</u>
Creditors: amounts falling due within one year	16	(160,694)	(185,135)
Net current assets		<u>163,975</u>	<u>243,686</u>
Total assets less current liabilities		<u>790,289</u>	<u>915,835</u>
Net assets excluding pension liability		<u>790,289</u>	<u>915,835</u>
Defined benefit pension liability	23	(60,871)	(40,968)
Net assets		<u>729,418</u>	<u>874,867</u>
Charity Funds			
Endowment funds	20	4,588	4,588
Restricted funds	19	54,668	54,863
Unrestricted funds	19	670,162	815,416
Total charity funds	21	<u>729,418</u>	<u>874,867</u>

The financial statements were approved and authorised for issue by the Board on 22 September 2016

Signed on behalf of the board of trustees

Signature



Caroline Schwaller, Chair
Date 25 October 2016

The notes on pages 24-44 form part of these financial statements.

Company registration number: 02575206

Statement of Cash Flows Year ended 31 March 2016

	Note	2016 £000	2015 £000
Cash flow from operating activities	22	(148,442)	(491,550)
Net cash flow from operating activities		(148,442)	(491,550)
Cash flow from investing activities			
Payments to acquire investments		(69,119)	(77,161)
Receipts from sales of investments		76,600	47,462
Interest received		1,086	1,897
Dividends received		18,003	16,377
Net cash flow from investing activities		26,570	(11,425)
Net (decrease) in cash and cash equivalents		(121,872)	(502,975)
Cash and cash equivalents at 1 April 2015		318,558	821,533
Cash and cash equivalents at 31 March 2016		196,686	318,558

Notes to the accounts

Year ended 31 March 2016

1 Summary of significant accounting policies

(a) General information and basis of preparation

National Association for Voluntary and Community Action is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities is being the national voice for local charity infrastructure concerned with voluntary and community action.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 26.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

(c) Income recognition

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

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

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

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

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

(d) Expenditure recognition

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

Costs of raising funds includes investment management fees;

Expenditure on charitable activities includes costs of activities undertaken to further the purposes of the charity; and

Other expenditure represents those items not falling into the categories above.

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

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

(e) Support costs allocation

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

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

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

(g) Investments

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

Social investments include mixed motive investments and programme related investments which are those held to further our charitable purposes.

(h) Provisions

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

(i) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined benefit pension scheme for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

(j) Tax

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

(k) Going concern

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

2. Statement of financial activities 2015

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Income and endowments from:					
Charitable activities	3	513,514	230,256	-	743,770
Investments	4	18,274	-	-	18,274
Total income and endowments		531,788	230,256	-	762,044
Expenditure on:					
Raising funds		(4,547)	-	-	(4,547)
Charitable activities	6	(912,905)	(205,507)	-	(1,118,412)
Total expenditure		(917,452)	(205,507)	-	(1,122,959)
Net (losses) / gains on investments	14	56,013	-	-	56,013
Net expenditure		(329,651)	24,749	-	(304,902)
Other recognised gains / losses:					
Re-measurement loss on defined benefit pension plan	23	(1,692)	-	-	(1,692)
Net movement in funds	19	(331,343)	24,749	-	(306,594)
Reconciliation of funds:					
Total funds brought forward	19	1,146,759	30,114	4,588	1,181,461
Total funds carried forward	19	815,416	54,863	4,588	874,867

3. Incoming resources from charitable activities – Analysis by activity

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2016</u>	<u>2015</u>
		£	£	£
Membership fees	54,030		54,030	66,823
Representing members to government	23,901	18,000	41,901	31,199
Learning and development	20,156	23,945	44,101	75,255
Member support	110,264	65,000	175,264	268,508
Policy and research	20,000	5,000	25,000	56,000
Advice, information and comms	41,036	82,000	123,036	200,843
Consultancy	13,435		13,435	45,142
	282,822	193,945	476,766	743,770

Grant and project income	2016	2015
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Restricted

Department for Education via National Children's Bureau	-	20,000
Department of Health -strategic partner fund	181,000	181,000
NHSE- Realising the Value	12,944	-
Member Support and Development Fund	-	29,256
Total restricted	193,945	230,256
Total grants and project income	193,945	230,256
Membership fees and charitable purpose contracts	282,822	513,514
Total resources from charitable activities	476,766	743,770

4. Investment income

	<u>2016</u>	<u>2015</u>
	£	£
Dividends	18,003	16,377
Interest	1,086	1,897
	19,089	18,274

5. Investment management costs

	<u>2016</u>	<u>2015</u>
	£	£
Investment manager fees	4,789	4,547
	4,789	4,547

6. Analysis of expenditure on charitable activities

	Activities undertaken directly	Support Costs	2016 Total	2015 Total
	£	£	£	£
Representing members to government	68,037	7,600	75,637	275,586
Membership	13,941	5,428	19,369	7,431
Learning and development	47,530	2,714	50,244	88,894
Member support	196,644	43,571	240,215	329,634
Policy and research	30,063	6,785	36,849	59,835
Advice, information and comms	130,018	12,295	142,313	218,163
Consultancy	8,016	3,619	11,635	43,761
Organisational re-structure	0	0	0	95,108
	494,249	82,013	576,261	1,118,412

7. Support costs

	Basis of allocation	2016	2015
	£	£	£
Governance	Time spent	19,660	39,737
Strategic	Time spent	13,853	14,781
Premises	Time spent	25,179	31,452
Operations	Time spent	4,705	7,749
Information technology	Time spent	16,287	7,009
Finance	Time spent	1,269	1,025
Professional	Time spent	1,059	833
Total		82,012	102,586

8. Governance costs

	2016	2015
	£	£
Auditors' remuneration	5,750	5,460
Over accrual in previous year	(660)	-
Trustee board expenses	3,974	7,854
Support costs	10,596	26,423
	19,660	39,737

9. Net income for the year

Net income is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	2,275	2,275
Auditors' remuneration	5,750	5,460
Operating lease rentals	15,470	15,470
	<hr/>	<hr/>

10. Auditor's remuneration

	2016 £	2015 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,750	5,460
	<hr/>	<hr/>

11. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2015: £nil).

The reimbursement of trustees' expenses was as follows:

	2016 Number	2015 Number	2016 £	2015 £
Travel and subsistence	9	12	2,723	3,832
	<hr/>	<hr/>	<hr/>	<hr/>
	9	12	2,723	3,832
	<hr/>	<hr/>	<hr/>	<hr/>

12. Staff costs and employee benefits

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

	2016 Number	2015 FTE	2015 Number	2015 FTE
Charitable activities	7	7	15	15
	<u>7</u>	<u>7</u>	<u>15</u>	<u>15</u>

The total staff costs and employees benefit's was as follows:

	2016 £	2015 £
Wages and salaries	295,144	546,254
Social security	30,342	55,504
Defined benefit pension operating costs	450	6,325
Other pension costs	20,520	29,842
Recruitment costs	1,238	6,325
Redundancy costs	-	75,000
	<u>347,694</u>	<u>719,250</u>

There were no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 (2015: Nil) is as follows:

	2016 Number	2015 Number
£60,001 - £70,000	0	1
	<u>0</u>	<u>1</u>

The Trustees considers that the key management personnel comprise the Chief Executive Officer, and the Director of Operations. The total amount of employee benefits received by key management personnel is £113,000 (2015: £116,741).

13. Tangible assets

	<u>IT equipment</u>	<u>Office furniture & fittings</u>	<u>Total</u>
Cost	£	£	£
At 1 April 2015	101,996	106,818	208,814
Additions			0
Disposals			0
At 31 March 2016	101,996	106,818	208,814
Depreciation			
At 1 April 2015	97,446	106,818	204,264
Disposals			-
Charge for the year	2,275		2,275
At 31 March 2016	99,721	106,818	206,539
Net book amount			
At 31 March 2016	2,275	-	2,275
At 31 March 2015	4,550	-	4,550

14. Fixed asset investments

	Listed investments	Total £
Cost or valuation		
At 1 April 2015	667,599	667,599
Additions	69,119	69,119
Disposals	(76,600)	(76,600)
Revaluation	(36,079)	(36,079)
At 31 March 2016	624,039	624,039
Carrying amount:		
At 1 April 2016	624,039	624,039
At 31 March 2015	667,599	667,599

Investments at fair value comprise:

	2016 £
UK fixed interest	64,710
Overseas fixed interest	81,672
UK Equities	191,038
European Equities	45,137
North American Equities	66,635
Japanese Equities	20,952
Far East & Australian Equities	27,201
International Equities	18,555
Emerging Economies	16,091
Property	54,515
Alternate assets	37,533
	<u>624,039</u>

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

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

15. Debtors

	2016	2015
	£	£
Amounts due within one year		
Trade debtors	110,572	99,099
Prepayments and accrued income	17,411	11,164
	<u>127,983</u>	<u>110,263</u>

16. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	11,201	22,084
Other tax and social security	16,614	16,520
Accruals and deferred income	132,879	146,531
	<u>160,694</u>	<u>185,135</u>

17. Leases**a) Operating leases - lessee**

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

	2016	2015
	£	£
Not later than one year	4,816	12,042
Later than one and not later than five years	-	-
Later than five years	-	-
	<u>4,816</u>	<u>12,042</u>

18. Deferred income

	£
At 1 April 2015	85,573
Additions during the year	33,526
Amounts released to income	(64,599)
	<u>54,500</u>
At 31 March 2016	

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

19. Fund reconciliation**Unrestricted funds**

	Balance at 1 April 2015	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 March 2016
	£	£	£	£	£	£
Unrestricted	215,416	301,910	(386,910)	145,000	(60,254)	215,162
Designated Funds:						
Organisational capability	600,000	-	-	(145,000)	-	455,000
	815,416	301,910	(386,910)	-	(60,254)	670,162

Designated funds

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

Organisational capability 2015-17

A fund to underpin the cost of resources needed to deliver the strategic plan in the period 2015-17.

Restricted funds

	Movement in resources			
	Balance at 1 April 2015	Incoming	Outgoing	Balance at 31 March 2016
	£	£	£	£
Health and social care	-	181,000	(181,000)	-
Realising the value	-	12,945	(12,945)	-
Coalition for collaborative care	-	-	(195)	(195)
Member support and development fund	29,255	-	-	29,255
SFC	5,480	-	-	5,480
Campaigning and advocacy	2,463	-	-	2,463
Tender Support Project	4,049	-	-	4,049
Public Law Project	13,616	-	-	13,616
	54,863	193,945	(194,140)	54,668

Health and social care

NAVCA is a strategic partner with the Department of Health. The project aims to build local infrastructure capacity and knowledge to improve the support they are able to offer on health and social care issues.

Realising the value (RtV)

NAVCA, as part of the Voluntary Voices partnership is a partner to the NESTA realising the value work. RtV is a health initiative that is aimed at strengthening the case for change, identifying evidence-based approaches that engage people in their own health and care, and developing tools to support implementation across the NHS and local communities.

Coalition for collaborative care

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

Member support and development fund

This fund was created from the balances of a number of restricted funds. The original funds were for providing training and support to infrastructure organisations and this fund will provide similar support.

SFC

Was a programme of work funded by the Home Office to support the voluntary, community and social enterprise sector to play an active role in the new arrangements for police and crime commissioners.

Campaigning and advocacy

Delivering training workshops for local campaigners.

Tender support project

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

Public law project

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

20. Endowment fund

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

21. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fixed assets	2,275	-	-	2,275
Investments	624,039	-	-	624,039
Cash and current investments	106,419	85,679	4,588	196,686
Other current assets / liabilities	(1,700)	(31,011)	-	(32,711)
Pensions provision	(60,871)	-	-	(60,871)
Total	670,162	54,668	4,588	729,418

22. Reconciliation of net expenditure to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for year	(121,274)	(304,902)
Dividends received	(18,003)	(16,377)
Interest receivable	(1,086)	(1,897)
Depreciation and impairment of tangible fixed assets	2,275	2,275
Losses / (gains) on investments	36,079	(56,013)
Net pension deficit contribution	(4,272)	(3,660)
(Increase) / decrease in debtors	(17,720)	61,146
Decrease in creditors	(24,441)	(172,122)
Net cash flow from operating activities	(148,442)	(491,550)

23. Pensions and other post-retirement benefits

The company participates in a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023:	£13.9m per annum (payable monthly and increasing by 3% each on 1st April)
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A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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

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

Reconciliation of opening and closing provisions

	Period ending 31 Mar 16 (£s)	Period ending 31 Mar 15 (£s)
Provision at start of period	40,968	42,936
Unwinding of the discount factor (interest expense)	670	1,138
Deficit contribution paid	(4,942)	(4,798)
Re-measurements - impact of any change in assumptions	(951)	1,692
Re-measurements - amendments to the contribution schedule	25,126	-
Provision at end of period	60,871	40,968

Income and expenditure impact

	Period Ending 31 Mar 2016 (£s)	Period Ending 31 Mar 2015 (£s)
Interest expense	670	1,138
Re-measurements – impact of any change in assumptions	(951)	1,692
Re-measurements – amendments to the contribution schedule	25,126	-

Assumptions

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.07	1.74	2.82

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

24. Related party transactions

A majority of National Association for Voluntary and Community Action trustees are employees of National Association for Voluntary and Community Action members. National Association for Voluntary and Community Action sells services to, and buys services from its members on the same terms as any other party. During the year no services were purchased from members

that were connected to NAVCA trustees, but services were sold to these members as follows (these figures exclude membership fees):

Trustee	Related organisation	Value of goods sold to members that are connected to trustees. £	Description of goods
Soo Nevison	Voluntary Action Calderdale	2,446	Training/events
Dinah Lane	MVDA	300	Events
Will Lindesay	HVOSS	1,380	HR services and events
Sajid Hashmi	VAST	1,610	Events
Mike Wild	MACC	275	Events
Wendy Stephens	Voscur	2,349	HR services and events

During the year expenses of £500 (2015: £nil) were incurred in respect of services provided by the spouse of Soo Nevison, a Trustee. The charity's normal procurement procedures were followed.

25. Financial instruments

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

	2016 £	2015 £
<i>Financial assets</i>		
Measured at fair value through net expenditure:		
- Fixed asset listed investments (note 14)	624,039	667,599
	<u>624,039</u>	<u>667,599</u>
Debt instruments measured at amortised cost:		
- Trade debtors (note 15)	110,572	99,099
- Other debtors (note 15)	17,411	11,164
	<u>127,983</u>	<u>110,263</u>
Measured at amortised cost		
- Trade creditors (note 16)	11,201	22,084
- Other creditors (note 16)	149,493	163,051
	<u>160,694</u>	<u>185,135</u>

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

	2016 £	2015 £
<i>Income and expense</i>		
Financial assets measured at fair value through net expenditure		
Dividends Received	18,003	16,337
Net (losses)/gains on investment	(36,079)	56,013

26. First-time adoption of SORP (FRS 102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016. The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies

Consequential changes in accounting policies resulting from the adoption of SORP (FRS 120) were as follows:

Payments agreed to reduce the pension scheme deficit have been included as a long term creditor in the balance sheet. See note 23 for more details of the payments.

b) Reconciliation of total charity funds

Adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102) were as follows:

	£
Total charity funds at 1 April 2014 under SORP (2005)	1,224,397
Recognition of pension trust liability	(42,936)
Total charity funds at 1 April 2014 under SORP (FRS 102)	<u>1,181,461</u>

Adjustments to previously reported total charity funds at the end of the comparative period were as follows:

	£
Total charity funds at 31 March 2015 under SORP (2005)	915,835
Recognition of pension trust liability	(40,968)
Total charity funds at 31 March 2015 under SORP (FRS 102)	<u>874,867</u>

c) Reconciliation of comparative period net expenditure

Adjustments to previously reported net expenditure in the comparative period were as follows:

	£
Net expenditure for the period ended 31 March 2015 under SORP (2005)	(308,562)
Deficit contribution, previously recognised through P&L	4,798
Interest on pension deficit	(1,138)
Impact of changes in pension assumptions	(1,692)
Net expenditure for the period ended 31 March 2015 under SORP (FRS 102)	<u>(306,594)</u>