

The National Council for Voluntary Organisations

Report and financial statements for the year ended 31 March 2009

Reference and administrative details of the Charity, its trustees and advisors

Patron

Her Majesty the Queen

President

Lord Hodgson of Astley Abbots

NCVO TRUSTEE BOARD

HONORARY OFFICERS

Chair

Sir Graham Melmoth

Vice Chair

Jo Ash

Honorary Treasurer

Helen Verney

Trustees

Dominic Fox

Helen Voce

Jamie Dear

Margaret Coleman

Jonathan Moore

Alison Roylance-White

Clare Tickell

Dame Julia Cleverdon

Julian Mason

Appointed 19 February 2009

Appointed 19 February 2009

Appointed 29 April 2009

Appointed 29 April 2009

Appointed 15 July 2009

HR AND REMUNERATION COMMITTEE**Chair**

Sir Graham Melmoth (Trustee)	Appointed 19 February 2009
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Trustee

Helen Voce	Appointed 19 February 2009
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Independents

Ann Cummins	Appointed 19 February 2009
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Terry Rogers	Appointed 19 February 2009
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Wendy Blake	Appointed 19 February 2009
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AUDIT AND RISK COMMITTEE**Chair**

David Locke (Independent)	Appointed 19 February 2009
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Trustees

Jo Ash	Appointed 19 February 2009
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Alison Roylance-White	Appointed 19 February 2009
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Independents

Pesh Framjee	Appointed 19 February 2009
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Peter Heap	Appointed 19 February 2009
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NOMINATIONS COMMITTEE**Chair**

Sir Graham Melmoth (Trustee)	Appointed 19 February 2008
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Trustees

Jo Ash	Appointed 19 February 2009
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Jonathan Moore	Appointed 19 February 2008
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Dominic Fox	Appointed 19 February 2009
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Independents

Erica De'Ath	Appointed 26 November 2008
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Jane Slowey	Appointed 26 November 2008
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TRUSTEES WHO LEFT OFFICE ON 26 NOVEMBER ON THE IMPLEMENTATION OF THE NEW GOVERNANCE ARRANGEMENTS

Karen Bollan (Health)	Resigned 26 November 2008
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Erica De'Ath OBE (Social Services)	Resigned 26 November 2008
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Jenny Deeks (Education, Employment and Training, Research)	Resigned 26 November 2008
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Jacqueline Dixon (South West)	Resigned 26 November 2008
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David Emerson (Umbrella and Resource Organisations)	Resigned 26 November 2008
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Geoff Gibbs (Education, Employment & Training, Research)	Resigned 26 November 2008
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Jonathan Isaac (Umbrella and Resource Organisations)	Resigned 26 November 2008
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Graeme King (Religion)	Resigned 26 November 2008
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Ann Lawson-Porter (Unions Electoral)	Resigned 26 November 2008
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David Locke (International Activities)	Resigned 26 November 2008
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Ruth Mordi (London)	Resigned 26 November 2008
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Peter Olds (Yorkshire & Humberside)	Resigned 26 November 2008
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Doreen Osbourne (West Midlands)	Resigned 26 November 2008
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Heather Petch OBE (Economic and Housing)	Resigned 26 November 2008
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Anne Robinson (Environment and Animal Welfare)	Resigned 26 November 2008
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Robin Simpson (Culture and Recreation)	Resigned 26 November 2008
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Vice Chair

Jane Slowey	Resigned 26 November 2008
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Co-opted Members

John Knight	Resigned 26 November 2008
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Dame Jo Williams DBE	Resigned 26 November 2008
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Observer

Helen Stephenson, Office of the Third Sector, Cabinet Office	Resigned 26 November 2008
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NCVO EXECUTIVE COMMITTEE – DISSOLVED ON THE IMPLEMENTATION OF THE NEW GOVERNANCE ARRANGEMENTS ON 26 NOVEMBER

Sir Graham Melmoth (Chair)	Resigned 26 November 2008
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Dominic Fox	Resigned 26 November 2008
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Jo Ash	Resigned 26 November 2008
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Jonathan Moore	Resigned 26 November 2008
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Jonathan Isaac	Resigned 26 November 2008
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Jane Slowey	Resigned 26 November 2008
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Helen Verney	Resigned 26 November 2008
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Robin Simpson	Resigned 26 November 2008
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Chief Executive

Stuart Etherington

Company Secretary

Sarah Welsh

NCVO MEMBERS' ASSEMBLY

Electoral College	Name	Appointed
Culture and Recreation	Mark Pemberton	18th February 2009
Culture and Recreation	Robin Simpson	26th November 2008
Education, Employment & Training, Research	Emma Cox	18th February 2009
Education, Employment & Training, Research	Catherine McGrath	18th February 2009
Health	Lindsay Hayes	18th February 2009
Health	Karen Bollan	26th November 2008
Social Services	Hugh Thornbery	18th February 2009
Social Services	Sarah King	18th February 2009
Environment and Animal Welfare	Ron Fern	18th February 2009
Environment and Animal Welfare	Anne Robinson	26th November 2008
Economic Development & Housing	Jo Ansell	18th February 2009
Economic Development & Housing	Heather Petch	26th November 2008
Equality of Opportunity, Law and Advocacy	Teresa Perchard	18th February 2009
Resource and Umbrella Organisations	Sally Whitaker	18th February 2009
Resource and Umbrella Organisations	David Emerson	26th November 2008
International Activities	Vijay Krishnarayan	18th February 2009
Business and Professional Associations, Unions	John Martin	18th February 2009
Business and Professional Associations, Unions	Ann Lawson-Porter	26th November 2008
Religion	Simon Kingston	18th February 2009
Religion	Andrew Davey	18th February 2009
Eastern	Kate Belinis	18th February 2009
Eastern	Heather Farley	18th February 2009
East Midlands	Jenny Hand	18th February 2009
East Midlands	Esther Jones	18th February 2009
London	Helen Rice	18th February 2009
London	Ruth Mordi	26th November 2008
North East	Daoud Zaaroura	18th February 2009
North East	Belinda Lowes	18th February 2009
North West	Barbara Lowndes	18th February 2009
North West	Penelope Fell	18th February 2009
South East	Geoff Gibbs	26th November 2008
South West	Stephen Woollett	18th February 2009
South West	Jacqueline Dixon	26th November 2008
West Midlands	Marcia Lewinson	18th February 2009
West Midlands	Doreen Osbourne	26th November 2008
Yorkshire & Humberside	Penny Stanley	18th February 2009
Yorkshire & Humberside	Steve Hopewell	18th February 2009

AUDITORS

PKF (UK) LLP
Farringdon Place, 20 Farringdon Road
London EC1M 3AP

BANKERS

Co-operative Bank

INVESTMENT MANAGERS

Rathbone Greenbank Investments

REGISTERED OFFICE AND OPERATIONAL ADDRESS

Regent's Wharf, 8 All Saints Street
London N1 9RL

Registered Charity No. 225922

Company Registration No. 198344

CONSTITUTION

NCVO is a charitable company limited by guarantee, incorporated on 30 May 1924 and registered as a charity on 1 January 1964. It was established under a memorandum of association, which sets out its objects and powers and is governed under its articles of association. The memorandum and articles of association were last updated on 21 November 2007.

FROM THE CHAIR

This Annual Report allows us to report back on the activities of NCVO over the year 2008-09, to determine our progress in attaining the organisation's top level outcomes and to review our plans for the future.

NCVO had a highly successful year supporting the voluntary and community sector and enabling its voice to be heard. We made significant progress on all the outcomes set for the year and saw membership grow substantially from 5,777 to 6,950 members.

Funding for national hubs of expertise came to an end, and this year marked a number of significant changes to the manner in which NCVO provided support for organisations to be successful, innovative and independent. The legacy of resources from the hubs is still widely used by the sector.

We continued to provide much needed advice and support in areas crucial to the voluntary and community sector and enhanced NCVO's position as a key influence on the press, opinion formers and politicians at both a national and regional level.

Media coverage of NCVO has been much more extensive than in previous years, and extended beyond sector press to national print and broadcast media. NCVO's response to the collapse of the Icelandic banks was widely covered as it was on a number of other issues, thanks to a much more rapid, proactive and challenging approach to dealing with the media.

A new consultancy service was launched to help voluntary and community organisations be more successful, by concentrating on establishing clearer direction, a stronger evidence base, better decision-making and lasting change. Initially resourced from unrestricted funds, the service aims to generate sufficient income to eventually becoming self-sustaining. In its first year, six teams worked on 34 projects generating £88,000, far exceeding its targets.

Thirteen paid-for and two pro-bono income-generating initiatives were launched for the benefit of the sector. The income is modest at this moment but, along with CaSE Insurance and other ventures, they offer significant potential for the future in both generating income for NCVO and reducing costs for the sector.

NCVO's new governance arrangements have been successfully implemented with the development of the new Assembly. Active promotion of the elections to the Assembly led to a very satisfactory 73 applicants for 30 places and competitive elections were held in 15 of the 20 colleges, allowing members a choice of candidates to represent them.

A general election is in prospect in the year ahead, and NCVO will produce a manifesto for the next election which highlights the needs of the sector, builds understanding of the value of civil society and influences the content of emerging party manifestos.

It is also important that NCVO continues to generate income for the sector both by increasing revenue opportunities and by helping organisations save money, through initiatives such as health insurance, recruitment and selection services, and a range of financial and associated products.

It is particularly pleasing that at the beginning of the new financial year, NCVO achieved the Investor in Diversity standard, which helps to ensure that prospective staff members continue to view NCVO as an employer of choice, and sets a benchmark for the wider sector.

The Board of Trustees and I wish formally to record our appreciation of and thanks for the skill and commitment of the Chief Executive and his senior management team, as well as NCVO staff as a whole, and for their combined efforts during a tough but undoubtedly successful year.

The next year will be a challenging one, both for NCVO and the sector as a whole, as the full impact of the recession works its way through. I am confident, however, that by positioning NCVO at the heart of civil society and with the professionalism of board and staff, the organisation is in a strong position to withstand any difficulties that may present themselves.



Sir Graham Melmoth
Chair, NCVO

REPORT OF THE TRUSTEE BOARD

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustee Board presents its annual report and the audited financial statements for the year ended 31 March 2009.

The legal and administrative information set out on pages 3-7 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

NCVO is a charitable company limited by guarantee, founded in 1919 as the National Council of Social Services, incorporated on 30 May 1924 and registered as a charity on 1 January 1964. It was established under a Memorandum of Association, which defines its objects and powers, and is governed by that and its Articles of Association. In addition, there are detailed Regulations made under the Articles. The Articles and Regulations were amended in November 2007 to reflect the changes outlined below.

Full membership of the Council (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.

At the AGM in November 2007 the membership of NCVO voted to make substantial changes to its governance arrangements from November 2008 onwards. The changes reflected an increasing need to separate the legal responsibility for the running of the organisation from the role of representing the views of members and the sector.

Up until November 2008, the Board comprised up to 32 trustees:

- Up to 25 trustees were elected by members of NCVO
- Three Honorary Officers (Chair, Vice Chair and Treasurer) were elected directly by the membership
- Up to four co-opted trustees were elected by the membership on an annual basis to fill skills gaps.

Up until November 2008 an Executive Committee of the Board met every two months to consider organisational and financial issues relating to the running of NCVO. Members of the Executive Committee were the Chair, Honorary Treasurer and Vice Chair, as well as up to 5 other members of the Trustee Board. All of the decisions of the Executive Committee were notified to the Trustee Board, which met four times during the year.

The Executive Committee had established two committees of its own – the Remuneration Committee, which set the remuneration of the Chief Executive and other senior management team members, and the Pensions Committee which reviewed and monitored NCVO's final salary pension scheme.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

From November 2008 the following changes were made:

- The size of the Board reduced from 40 Trustees to 12.
- The 12 Trustees comprise three Honorary Officers (Chair, Vice Chair and Treasurer). The Chair, Treasurer and seven Trustees are directly elected from the membership. Three Trustees are co-opted by the Board to ensure the right mix of skills and experience. One of the Trustees is elected to fill the Vice Chair Honorary Officer position by the Board. Trustees serve for a term of three years, with a maximum of two terms to be served.
- The Executive Committee, Remuneration Committee and Pensions Committee ceased to exist.

- A Nominations Committee has been established and will facilitate diversity in the governance structure, ensure the right mix of skills and experience, and supervise the democratic process.
- A Remuneration & HR Committee has been established and will consider HR policy and related matters.
- An Audit & Risk Committee has been established and will provide independent advice and assurance on risk, control and governance matters.

- A 50 strong Assembly has been created, reflecting the breadth of NCVO's membership, as a forum to contribute to the development of and advise the Board on sector policy issues. The Assembly will meet twice a year to debate policy issues of relevance to the sector. The Assembly is chaired by the Chair of the Trustee board. 40 members of the Assembly are selected by NCVO's membership through a system of national thematic and regional electoral colleges. 10 members of the Assembly are elected by the Assembly to ensure the skills and experience encompass the breadth of civil society. Members of the Members' Assembly serve for a term of three years, with a maximum of two terms to be served.

We believe that these changes will result in a governance structure best suited to enabling NCVO to deliver its objectives into the foreseeable future.

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

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

The Trustee Board is supported by a management team and a staff of 137 employees organised into four departments. These are as follows:

- Public Policy – comprises NCVO's policy, research, campaigning and communications activity.
- Services and Development – comprises the majority of NCVO's advisory, information and education work.
- Enterprise – this department is responsible for increasing NCVO's unrestricted earned income in order to support the vision and includes the membership and marketing, and information and publishing teams.
- Planning and Resources – includes NCVO's internal support services and is responsible for the organisational planning process and servicing of the governance structure.

The senior management team comprises:

Chief Executive
Stuart Etherington

Deputy Chief Executive
Ben Kernighan

Director of Public Policy
Liz Atkins

Director of Planning and Resources
Sarah Welsh (maternity cover for Lynne Gregory to July 2009)

Director of Planning and Resources (Job Share)
Sarah Welsh and Lynne Gregory (from July 2009)

Director of Enterprise
Richard Williams

President
Lord Hodgson of Astley Abbots, CBE, is the President of NCVO. The President acts as an ambassador for NCVO and is elected by the members for a non-renewable term of 5 years and was elected in November 2007.

OBJECTIVES AND ACTIVITIES

NCVO's vision is of a society in which people are inspired to make a positive difference to their communities. We believe that a vibrant voluntary and community sector deserves a strong voice and the best support, and aim to be that support and voice.

Our strategic agenda, *NCVO's Vision for the Future* (available from our registered office and website) was produced in 2005. This was the result of extensive consultation with members, the wider sector, key opinion formers and other stakeholders.

The strategic agenda encompasses five themes. Five top tier outcomes are linked to these themes that show what we hope to achieve. These are summarised as follows:

1. Values

We aim to bring about a comprehensive understanding of the distinctive value and values that the voluntary and community sector brings to society.

OUTCOME: The unique value of civil society is increasingly understood and recognised.

2. Engaged Citizens

We aim to ensure that voluntary and community organisations and their users can play the fullest part in civil society and in building a diverse, tolerant, just and compassionate society.

OUTCOME: More citizens actively engage with and contribute to civil society.

3. Relationships

We aim to redefine, develop and improve the relationships and partnerships within the voluntary and community sector and those with the other sectors and the general public.

OUTCOME: Civil society organisations are independent, successful and innovative, and work with others to make a positive difference.

4. Governance

We aim to ensure that an organisation, at whatever stage in its development, can access appropriate information, advice and models of good practice easily and quickly.

OUTCOME: Civil society infrastructure is effective, comprehensive, inclusive and representative.

5. Resources

We aim to ensure that voluntary and community organisations have access to the resources and personnel they need to achieve their mission and to make the most effective use of these resources.

OUTCOME: Civil society benefits from increased income and people resources.

A sixth top tier outcome is internally focused: NCVO operates effectively and sustainably.

NCVO operates a four-year planning horizon with high level Strategic Business Plans being refreshed and updated annually. Annual operating business plans are prepared by teams within the context of the four-year rolling plan. Each top tier outcome is delivered by a hierarchy of team outcomes which contribute towards its delivery and which are supported by planned programmes of work with specific targets which are reviewed on an ongoing basis throughout the year and in a balanced scorecard format at Trustee Board and senior management team level.

NCVO's values underpin all of our work. These are:

- **Collaboration** – we believe that the voluntary sector is strongest when it works together and that its future will be shaped through collaborative working and this will be the key to the way we work
- **Inclusiveness** – we value the diversity of the voluntary and community sector, and of society, and strive to be inclusive in all aspects of our work
- **Independence** – we value the independence of the voluntary and community sector and support organisations to take their own decisions and actions. We will be a strong and independent voice for the voluntary and community sector
- **Innovation** – we believe that the voluntary and community sector is innovative in its approach to achieving its goals and we will strive to be creative and original in all our work

- **Passion** – we believe voluntary action is built on the passion of individuals and communities to make a positive difference. We will be passionate in our support of the voluntary and community sector.

Public benefit statement

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

ACHIEVEMENTS AND PERFORMANCE

Media coverage of NCVO has been much more extensive than in previous years, and extended beyond sector press to national print and broadcast media. NCVO's response to the collapse of the Icelandic banks was widely covered as it was on a number of other issues, thanks to a much more rapid, proactive and challenging approach to dealing with the media.

OUTCOME 1

NCVO had a highly successful year supporting the voluntary and community sector and enabling its voice to be heard. We made significant progress on all the outcomes set for the year and saw membership grow from 5,777 to 6,950.

We continued to provide much needed advice and support in areas crucial to the voluntary and community sector and enhanced NCVO's position as a key influence on the press, opinion formers and politicians at both a national and regional level.

Selected key achievements during 2008/09 are as follows:

The unique value of civil society is increasingly understood and recognised

Media coverage of NCVO has been much more extensive than in previous years, and extended beyond sector press to national print and broadcast media. NCVO's response to the collapse of the Icelandic banks was widely covered as it was on a number of other issues, thanks to a much more rapid, proactive and challenging approach to dealing with the media.

The Research team, through the *UK Civil Society Almanac 2009* and its work on collating evidence from previous recessions, ensured that NCVO maintained its authority with the media, politicians, opinion formers and the sector itself. Research carried out by the Governance and Leadership team raised awareness of the need for governance and regulation to be proportionate and not unduly burdensome on sector organisations and the team is now taking forward work in this area.

Briefings on key parliamentary bills such as the Local Government Bill and the Dormant Bank Accounts Bill and on the need to place the Commission for the Compact on a statutory footing, ensured that issues of importance to the sector were raised with government, especially the Department of Communities and Local Government and a wide range of politicians across the parties.

Together, improvements in media profile, authoritative research and in-depth briefings, ensured that ministers, MPs, peers and opinion formers had a better understanding of the issues facing voluntary and community organisations. The £40m Office of the Third Sector (OTS) Action Plan and the 2009 Budget provisions for a £20m hardship fund were welcome.

The autumn party political conferences gave NCVO and representatives of the wider sector an opportunity to demonstrate the value of civil society and increase understanding of the sector's role. At each of the conferences, NCVO brought together the relevant sector minister or shadow minister, five small charity bursary winners and voluntary organisations from the local area, giving them the opportunity to raise issues affecting their organisations. NCVO was also represented on the platform of the Big Lottery Fund fringe at each party conference.

The Compact Advocacy team dealt with 127 cases in 2008/09, intervening on behalf of voluntary sector organisations where a statutory body has breached the Compact. In most cases this has resulted in an improvement in the relationship between the voluntary sector and statutory body.



OUTCOME 2

More citizens actively engage with and contribute to civil society

The work of the Campaigning Effectiveness team enhanced voluntary and community organisations' understanding of the aims of campaigning and strengthened their campaigning practice. This, in turn, enabled more citizens to actively engage and contribute to civil society by helping them to make their voices heard more effectively. For example, over 600 people took part in eight regional roadshows as part of the Campaigning and Advocacy National Support Service (NSS). The in-depth Certificate in Campaigning was completed by 10 students last year and 19 are on course to complete it this year.

A number of other initiatives saw increasing engagement from citizens with civil society. 50 leaders undertook the Barclays Leadership Programme and 15 were recruited to the Emerging Leaders network. 2,800 copies of the *Good Trustee Guide* have been sold since its launch in October 2008. Increasing use of NCVO's website – from research and policy to campaigning, workforce and governance – informed more citizens, enabling them to actively engage with civil society. Working For a Charity website saw a continuing high number of visits and ran two online courses accredited by Roehampton University as well as its face to face short courses.

2,800

...Good Trustee Guides sold since October 2008

The Sustainable Funding team successfully tendered to run a new funding website, which, for the first time, will provide the sector with comprehensive information about funding sources with advice and tips about applying for funding and funding strategies.

A new programme was developed for emerging leaders and consideration given to the future of leadership in the sector as a whole.

OUTCOME 3

Civil society organisations are independent, successful and innovative, and work with others to make a positive difference

Funding for national hubs of expertise came to an end, and this year marked a number of significant changes to the manner in which NCVO provided support for organisations to be successful, innovative and independent. The legacy of resources from the hubs is still widely used by the sector.

A new consultancy service was launched to help voluntary and community organisations be more successful, by concentrating on establishing clearer direction, a stronger evidence base, better decision-making and lasting change. Initially resourced from unrestricted funds, the service aims to generate sufficient income to eventually becoming self-sustaining. In its first year, six teams worked on 34 projects generating £88,000, far exceeding its targets.

The strategy and impact team embarked on a new programme of work helping a small number of organisations to assess and improve their environmental impact and with a range of black and minority ethnic organisations to help them with their strategy.

With increased interest in support around collaboration, and organisations facing a tougher financial future, NCVO successfully lobbied government to include support for collaboration and mergers in their recession action plan. A range of information and resources to help organisations in the recession is now available on the website.

The Sustainable Funding team supported innovation in voluntary and community organisations, with a particular focus on charitable trusts. The team successfully tendered to run a new funding website, which, for the first time, will provide the sector with comprehensive information about funding sources with advice and tips about applying for funding and funding strategies.

In October 2008 the Department for Innovation, Universities and Skills (DIUS) and the Office of the Third Sector (OTS) announced the intention to launch an independent skills body dedicated to the third sector (an outcome long campaigned for by NCVO) Janet Fleming, Head of the Workforce Hub was seconded to project manage the creation of the organisation – Skills-Third Sector. NCVO has secured a contract to build their website.

The new organisation will become the standards setting body for the sector and in the meantime the Workforce hub was commissioned by the UK Commission for Employment and Skills (UKCES) to develop two new sets of occupational standards for development workers and campaigners.

For anyone considering working in the sector, Working for a Charity within the workforce team, launched a new on-line tool to assess skills and suitability for different roles and began discussions with DIUS about how to support the newly announced internship scheme that could benefit both the sector and the rising number of unemployed people.

Three year funding was secured from Capacitybuilders to build on the work of the employment practice strand of the hub and a comprehensive plan of work has been agreed to support employers in the sector with information and advice on HR and good employment practice. *The Good Guide to Employment* continued to sell strongly.

The Governance and Leadership team continued to ensure best practice in the governance of voluntary and community organisations, running a successful and high-profile trustee conference, appointing a new chair to take forward *Good Governance: A Code for the Voluntary and Community Sector* in partnership with the other code-founders, and introducing a governance review service. A new programme was developed for emerging leaders and consideration given to the future of leadership in the sector as a whole.

The Foresight team continues to ensure that voluntary and community organisations are fully conversant with the trends affecting the sector, particularly in the current operating environment, and innovative and strategic in their planning.

Thirteen paid-for and two pro-bono income-generating initiatives were launched for the benefit of the sector.

OUTCOME 4

Civil society infrastructure is effective, comprehensive, inclusive and representative

Three National Support Services (NSS), funded by Capacitybuilders will support civil society infrastructure for the next three years. Services for governance and leadership, campaigning and social change (Foresight) were set up this year, in each case building on existing expertise in each of these areas.

NSS have a particular focus on supporting infrastructure organisations, at a local, regional and national level. The Campaigning Effectiveness, Governance and Leadership, and Foresight teams have all worked closely with infrastructure organisations on a range of different programmes.

The Compact Voice network continues to grow, recognising the important role of infrastructure organisations in the development of local compacts.

OUTCOME 5

Civil society benefits from increased income and people resources

Thirteen paid-for and two pro-bono income-generating initiatives were launched for the benefit of the sector. The income is modest at this moment but, along with CaSE Insurance and other ventures, they offer significant potential for the future in both generating income for NCVO and reducing costs for the sector.

The Sustainable Funding team exceeded or achieved most of its outcome targets by helping organisations to explore and develop their income generation ability. It successfully tendered for the OTS Funding Central Contract and, through collaborative partnerships, has secured a Big Lottery BASIS bid to deliver work over the next three years. Over 200 VCOs attended sustainable funding training, with very high levels of increased understanding reported.

During the year SFT substantially increased the number of bursaries for the 'Only Connect' programme enabling 139 buddies organisations to buddy up and learn from others' experience. The numbers of individuals and organisations accessing resources also increased with nearly 46,000 downloads and over 182,000 visits to the website.

The Governance and Leadership team worked with the Department of Communities and Local Government to assist them with their *Standing for Office: Time Off Entitlements* consultation which came from the *Communities in Control: Real People, Real Power* White Paper. We contributed evidence of the need for more people to get involved locally as trustees and the need for trusteeship to become a recognised national movement. We continued to maintain the Trustee Bank scheme which helps organisations fill trustee vacancies.

850 people attended our flagship Annual Conference which achieved very high satisfaction levels and gained significant national media coverage.

OUTCOME 6

NCVO operates efficiently and sustainably

NCVO membership has grown significantly during the year, exceeding both numerical and financial targets. A joint membership deal with BTCV will enable 1,400 new community members to benefit from NCVO membership.

850 people attended our flagship Annual Conference which achieved very high satisfaction levels and gained significant national media coverage. The first Autumn Conference in Manchester attracted 200 delegates and demonstrated NCVO's commitment to deliver services outside London.

NCVO's new governance arrangements have been successfully implemented. Seven out of 12 of the trustees on the new board were members of the board prior to the change and this has brought about a smooth transition. Active promotion of the new Assembly led to a very satisfactory 73 applicants for 30 places and competitive elections were held in 15 of the 20 colleges, allowing members a choice of candidates to represent them.

Across the organisation, NCVO has become more focused on outcomes during the year, and there is a better understanding of the importance of articulating our achievements. A new system, reporting quarterly by outcome, has gradually improved in quality, and is used as the basis for this report.

An increase in available room space meant that income from the conference suite grew by 21%, despite the loss of £10k of business due to the snow in February.

The standard of health and safety awareness has been raised by the introduction of an e-learning course, compulsory for all staff.

All financial, legal and statutory deadlines have been met and, in order to have the most accurate information available we have increased the regularity of reporting on income and cash.

A new job evaluation scheme, more tailored to NCVO's current strategic goals, has been introduced. Alongside this we have introduced a new pay structure that better meets our policy objective with reference to the voluntary sector market.

Assessment for Investors in Diversity was postponed by three months due to the time involved in consulting with a diverse range of stakeholders and analysing the feedback for improving the management of diversity. We are confident of meeting the standard at our assessment at the end of June 2009.

A new HR database will allow the consolidation of all our HR records and improve the service HR provides to managers and potential employees.

The IT team has continued to provide a robust infrastructure and IT support service to staff. This is increasingly important as good IT underpins all NCVO's business processes.

NCVO's performance has continued to improve since last year's first environmental report. Our carbon footprint has reduced by a further 8% to 102 tonnes CO₂ per annum. Despite a colder winter than previous years we also reduced electricity by 20% mainly by automatically turning off the computers, installing multi-functional devices for printing and copying and by reminding staff of their personal commitment to reducing their footprint. Our overall performance against actions agreed in the environmental policy is 81%, an improvement of 14% on 2007.

On the broader front NCVO has publicised the actions we are taking to our membership and wider civil society and we have embraced climate change and sustainable development as a cornerstone of our civil society framework for action.

FINANCIAL REVIEW

Unrestricted income from trading activities increased 9% year on year, to £1,877k.

Funds

The Statement of Financial Activities (SOFA) indicates a net movement on unrestricted funds of £1,927k, for the year. £1,770k of this comprised the actuarial loss on the defined benefit pension scheme. Restricted funds reduced from £676k to £347k and are largely made up of balances in relation to project work which will take place during 2009/10, details of which are outlined in note 17.

Incoming Resources

Total income has reduced to £10,643k, a decrease of 20% on the prior year figure of £13,396k. This was anticipated and came about as a result of the move from the Hubs to the National Support Services and the lower levels of funding for these new income streams from Capacitybuilders. £5,376k has been received from grants and sponsorship, as outlined in note 2 of the accounts. Of this, £4,152k was restricted, most of which related to the capacity building services.

Other key sources of income during the year included:

- Unrestricted income from trading activities of £1,877k (an increase of 9% since 2007/08), comprising brokered services, commercial fees, conference suite hire and publications.
- Voluntary income of £999k (a decrease of 22% since 2007/08). Although income in the form of donations from CAF increased to £992k (2007/08 £968k), the overall decrease came from the receipt of a £300k legacy in 2007/08. No legacies were received during 2008/09.
- Membership subscriptions of £954k (an increase of 11% since 2007/08), reflecting the increased number of members.
- Investment income of £120k (a decrease of 34% since 2007/08) and reflecting the difficult economic conditions of the last twelve months, reduced bank interest rates and lower levels of cash being held with the reduction in project funding.

Resources Expended

Expenditure has decreased during the year to £10,672k (a decrease of 17%). This reflects the reduction in funding for capacity building work and the related grants to other voluntary organisations that were being paid as part of partnership agreements for delivering the Hubs.



INVESTMENT POLICY

As part of NCVO's risk and reserves assessment, the investment policy is periodically reviewed by the Trustee Board. The management of the investment portfolio has been delegated to Rathbone Greenbank Investment Management Limited since April 2005. Rathbone Greenbank provide quarterly updates regarding the portfolio value, purchases and sales. In addition they are required to attend a Trustee Board meeting at least annually to discuss the performance of the portfolio, economic conditions and future requirements.

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

The objective of NCVO's investment strategy is to at least maintain the real value of reserves, taking the mission into consideration. NCVO's policy is to invest based on indications of good practice as opposed to a policy based on exclusion. NCVO is particularly interested in investments with the following positive criteria:

- Community involvement
- Employment practices
- Environmental policies
- Green technology
- Healthy living
- Overseas development
- Public transport
- Recycling and waste disposal
- Renewable energy
- Safety and protection
- Training and education

NCVO also believes that investments which support its mission are important and will explore such investment opportunities, accepting lower returns for mission-related gain, up to a maximum of 10% of its investment portfolio.

Investments are divided between equities, bonds, property and cash – the policy defines a percentage range for each category within which the investment managers can operate. The percentage proportions of the portfolio are reviewed by the Trustee Board at least annually and the investment manager is required to rebalance the portfolio on a quarterly basis. In order to maintain a diverse portfolio, no investment in the equities of one company may be made that exceeds 5% of the total value of the portfolio at the time of purchase. This does not apply to investments made in unit trusts (which already spread the risk of investments).

The performance of the portfolio is measured against the APCIMS (Association of Private Client Investment Managers and Stockbrokers) balanced benchmark.

The investment portfolio decreased in value by 26% in 2008/09, mirroring the fluctuations in the stock market during the period. This loss is recorded in the unrealised losses section of the SOFA.

During the year NCVO Trading made an investment of £45,000 in CASE Insurance LLP. This is a collaborative venture delivering tailor made insurance packages to the voluntary and community sector. This investment is shown at cost within the balance sheet.

RESERVES POLICY



The trustees have set a reserves policy which requires that reserves be maintained at a level which ensures that NCVO's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees consider readily realisable reserves to be the amount of reserves that are easily converted into cash should the need arise. The calculation of the required level of reserves is an integral part of NCVO's planning, budgeting and forecasting cycle. It takes into account the risks associated with each stream of income and expenditure varying from budget; the planned activity level; and NCVO's future commitments.

The trustees assess the reserves policy on an annual basis. They discuss levels of readily realisable reserves, NCVO's main commitments and the market valuation of investments. The main risks to both income and expenditure are highlighted and a calculation made of the possible financial consequences of adverse movements.

The trustees use this information to ensure an adequate level of readily realisable reserves is maintained. In February 2009 the reserves policy was reviewed, and based on the risk analysis, a readily realisable reserves figure of a minimum of £1.6m was agreed necessary.

At 31 March 2009, NCVO's readily realisable reserves were as follows:

	31 Mar 09 £'000	31 Mar 08 £'000
Investments	1,334	1,754
Other Working Capital	(1,218)	(1,952)
Bank Accounts	2,119	2,668
Readily Realisable Reserves	2,235	2,470
Freehold Property (net of mortgage)	1,727	1,720
Pension reserve	(1,293)	382
Restricted Funds	347	676
Other Fixed Assets	133	157
Other Reserves	914	2,935
Total Reserves	3,149	5,405

The pension reserve is the long term asset relating to the defined benefit scheme. This does not have an immediate cashflow obligation for NCVO as any liabilities will crystallise as employees take up pension benefits in future years. The scheme moved from a surplus position to a deficit position following the FRS17 valuation in March 2009 due to the higher discount rate used.

The actual realisable reserves are currently in excess of the agreed minimum. This will continue to be monitored but is considered prudent in the light of uncertainty over future funding levels.

The trustees also review designated reserves as detailed in note 17 to the accounts.

Grant making policy

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

FUTURE PLANS

NCVO anticipates that the coming year will be a challenging one for the voluntary and community sector as the full impact of the recession becomes clear.

OUTCOME 1

The unique value of civil society is increasingly understood and recognised

What will NCVO do to achieve this outcome:

Produce a manifesto for the next election which highlights the needs of the sector, builds understanding of the value of civil society and influences the content of emerging party manifestos.

Improve the understanding of the public, key stakeholders, politicians and the media about the work of civil society.

Enable members to engage with each other in a range of different ways. Central to this is the development of an online community, with enhanced web services and a range of user-generated content.

Help voluntary and community organisations to understand the characteristics of civil society, and to improve awareness of how civil society is changing.

Provide voluntary and community organisations with access to clear, accessible and relevant information about trends that shape the sector.

Support voluntary and community organisations to demonstrate their value to donors, funders, users, volunteers, trustees and partners, using the Full Value approach.

Work with Charities Aid Foundation and the Centre for Charitable Giving and Philanthropy to build the evidence base in relation to charitable giving, highlighting in more depth why, where, how and how much people support civil society by giving money.

With the Third Sector Research Centre, we will work to develop the evidence base in relation to the value of civil society, whilst our knowledge brokerage function will ensure that such understanding is based on ongoing dialogue between researchers and civil society.

We will enable members to engage with each other in a range of different ways. Central to this is the development of an online community, with enhanced web services and a range of user-generated content.

NCVO will help voluntary and community organisations to develop and deliver policy effectively, as well as design, plan, deliver and evaluate campaigns.

We will ensure that future leaders of civil society have the skills to influence the development of the sector and are better equipped to deal with the increasing complexity of leadership roles

OUTCOME 2

More citizens actively engage with and contribute to civil society

What will NCVO do to achieve this outcome:

Help voluntary and community organisations to develop and deliver policy effectively, as well as design, plan, deliver and evaluate campaigns.

Ensure that the contribution of voluntary and community organisations is properly reflected in the government's proposals for the Community Empowerment Bill.

Provide young people, school leavers, graduates, career changers, and those who advise them, with the information they need to encourage and enable them to work in the sector. The Do More website will signpost newcomers to career entry opportunities such as graduate traineeships or internships.

Improve the opportunities for citizens who wish to contribute to civil society to become trustees and help civil society organisations fill vacancies more easily, through the Governance and Leadership National Support Service and the Trustee Bank scheme.

Work with Involve and Volunteering England to understand how people participate in their communities, and how participation can be strengthened.

OUTCOME 3

Civil society organisations are independent, successful and innovative, and work with others to make a positive difference

What will NCVO do to achieve this outcome:

Develop and adapt a range of services for members that enable them to work in a sustainable and innovative way, to enhance the attractiveness of the membership offer, and increase membership in all areas of civil society.

Provide a range of high quality support and advice materials in various formats, including a series of print publications, *Engage* magazine and a website supported by a new community forum.

Raise awareness of the Compact with voluntary sector organisations and assist in building national and local Compact networks.

Ensure that future leaders of civil society have the skills to influence the development of the sector and are better equipped to deal with the increasing complexity of leadership roles.

Support voluntary and community organisations to be more successful, by bringing issues of strategy, impact, user involvement, climate change, benchmarking and quality into their policies and practices.

Raise awareness of the benefits and risks of collaboration and ensure that voluntary and community organisations are more able to make strategic decisions about ICT with an increased ability to influence funders and policy makers on ICT.

Ensure that statutory and independent funders understand the challenges faced by voluntary and community organisations as they develop a sustainable mixture of funding sources.

NCVO will help infrastructure agencies demonstrate their value through the Value of Infrastructure Programme.

We will help to increase people resources, by ensuring that voluntary and community organisations have the information, guidance and knowledge they need to recruit, manage and develop staff, volunteers and trustees.

OUTCOME 4

Civil society infrastructure is effective, comprehensive, inclusive and representative

What will NCVO do to achieve this outcome:

Help infrastructure agencies demonstrate their value through the Value of Infrastructure Programme.

Ensure that black and minority ethnic infrastructure is more capable of supporting frontline organisations on strategic issues.

Enhance and strengthen the governance capacity of civil society infrastructure organisations.

Expand the capacity of infrastructure organisations to help voluntary and community organisations understand the aims and objectives of campaigning.

Improve the understanding of chief officers and chairs of infrastructure agencies of the key drivers influencing the sector, and develop appropriate strategies in response.

Ensure that employers, policy-makers and funders have access to reliable information regarding workforce development issues and needs.

Ensure that infrastructure organisations are better equipped to support frontline organisations in pursuing a full range of funding and finance options and developing appropriate management skills.

OUTCOME 5

Civil society benefits from increased income and people resources

What will NCVO do to achieve this outcome:

Generate income for the sector both by increasing revenue opportunities and by helping organisations save money, through initiatives such as health insurance, recruitment and selection services, and a range of financial and associated products.

Help to increase people resources, by ensuring that voluntary and community organisations have the information, guidance and knowledge they need to recruit, manage and develop staff, volunteers and trustees.

Ensure that voluntary and community organisations are able to access and manage the financial and funding resources they need to deliver their core mission. In particular, to make public sector commissioners and wider policy-makers more knowledgeable about the sector, improve commissioning practices, and build a positive environment for civil society funding.

Launch the Funding Central online gateway, providing free access to the most comprehensive information on funding opportunities.

Set up and facilitate a Funding Commission with a clear understanding of the new funding mechanisms available to voluntary and community organisations and provide clear recommendations for developing and utilising those mechanisms.

We aim to increase the organisation's income from trading activities and invest unrestricted income in charitable services, by developing a more commercial attitude towards innovation and speeding up the time it takes for products to reach the market.

OUTCOME 6

NCVO operates effectively and sustainably

What will NCVO do to achieve this outcome:

- Ensure that the new trustee board and its committees operate effectively and provide authoritative governance, using the outcomes information gathered in 2008/09 to inform the planning and reporting process.
- Provide timely financial information, carried out in accordance with agreed procedures, ensuring that a positive cash flow is maintained, that internal financial procedures are up to date and that return on investment for projects is analysed appropriately.
- Provide quality conference suite facilities, ensuring the most efficient use of physical space at the Regent's Wharf premises, and explore the feasibility of adding a 4th floor.
- Establish fast, secure and effective IT systems, which can be rebuilt at a different site to ensure that the organisation continues to operate should any major incidents occur in the building.
- Ensure that prospective candidates continue to view NCVO as an employer of choice, in particular, by establishing itself as an example of best practice in diversity, by implementing a new job evaluation scheme and pay structure, by completing all actions arising from the Investors in Diversity (IiD) standard audit and by promoting IiD status to all new starters and potential recruits.
- Increase the organisation's income from trading activities and invest unrestricted income in charitable services, by developing a more commercial attitude towards innovation and speeding up the time it takes for products to reach the market.
- Deliver phase II of the customer relationship management project, and implement the appropriate changes to the wider organisational culture and business processes.
- Revitalise the publications offering across a range of platforms, both print and online.
- Further develop NCVO's consultancy service, offering one-to-one advice directly to the sector, and bringing unrestricted income to the organisation.
- Continue to reduce energy consumption through the investment in multi-functional devices for printing and copying as well as a movement towards hybrid taxis, more effective use of electronic communications and public transport. Major reductions in energy consumption are unlikely without major structural capital improvements hence most of the improvements will rely mainly on staff behaviour, good practice and leading by example.

RISK MANAGEMENT

On an annual basis the trustees actively review the risks that the charity faces in six key areas – strategic direction, financial, reputation, legal and statutory, human resource and information technology. All identified risks are assessed for both likelihood of occurrence and potential impact, in addition to NCVO's attitude to the individual risks being ascertained. This information is then used to develop a risk management strategy for the organisation, including the identification of existing controls in operation and any new controls the trustees consider necessary.

This risk management strategy forms part of the planning process, against which the trustees review progress formally every year within the context of a four year strategic business plan and one year operating plans.

In respect of financial risk, the trustees believe that maintaining NCVO's readily realisable reserves at the levels stated will provide sufficient resources in the event of unplanned or adverse conditions.

Key risks identified for 2009/10 include: the Government does not invest substantially in capacity building beyond 2011; the costs of pensions provisions exceed affordability and/or has a significant adverse impact on NCVO's reserves policy; the organisation fails to attract and retain its target number of members; the government does not provide strategic funding beyond 2011 and that the organisation's earned income fails to meet expectations. All these risks have been explored by the Trustees and controls to mitigate the risk explored in full.

Trustee Board members

The members of the Trustee Board, who are also Directors under the terms of the Companies Act, are set out on pages 3-6. The members of the Trustee Board have no beneficial interest in the group or charity.

The Board of Trustees would like to place on record its thanks to, and appreciation of, the Chief Executive, his senior management team and the whole of NCVO's staff for the skill and energy with which they have managed the organisation throughout the year.

Related parties

The Four Nations Company Ltd is a related party of NCVO as it is jointly run by the National Council for Voluntary Organisations (NCVO), Northern Ireland Council For Voluntary Action (NICVA), Scottish Council for Voluntary Organisations (SCVO) and Wales Council For Voluntary Action (WCVA) to distribute grants made by the Department for Children, Schools and Families, the Sector Skills Development Agency, the New Opportunities Fund and the Qualifications and Curriculum Authority.

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

Liability of members

The company is limited by guarantee and has no share capital. Clause 7 of the Memorandum of Association provides that every member, as defined by Clause 2 of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up while they are a member or within one year of ceasing to be a member. At the year-end there were 6,950 members (2008: 5,777).

RISK MANAGEMENT (CONTINUED)

Statement of the Trustee Board's responsibilities

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

Company and charity law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

PKF (UK) LLP have expressed their willingness to continue as auditors of the group and company.

Approved by the Trustee Board and signed on their behalf on 15 July 2009



Sir Graham Melmoth
Chair

INDEPENDENT AUDITORS' REPORT

to the members and trustees of the National Council for Voluntary Organisations.

We have audited the group and parent charity financial statements of The National Council for Voluntary Organisations for the year ended 31 March 2009 which comprise the consolidated statement of financial activities, (including the consolidated summary income and expenditure account), the group cashflow statement, the group and parent charity balance sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members as a body, in accordance with section 235 of the Companies Act 1985 and in respect of the group financial statements to the charity's trustees as a body in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

The trustees were not required by section 227 of the Companies Act 1985 Act to prepare group financial statements for the financial year and accordingly have prepared the group financial statements in accordance with the requirements of the Charities Act 1993 and regulations made under that Act.

We have been appointed as auditors under the Companies Act 1985 and, in respect of our audit of the group financial statements, under paragraph 6 of Schedule 5A to the Charities Act 1993. We report to you in accordance with those Acts and in accordance with regulations made under section 44 of the Charities Act 1993 (as modified by paragraph 8 of Schedule 5A to that Act).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985, and, in respect of the group financial statements, regulations made under the Charities Act 1993.

We also report whether the information given in the trustees' annual report is consistent with those financial statements.

We also report to you if, in our opinion, the parent charity has not kept proper accounting records, if the charity's individual financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the group financial statements have been prepared in accordance with Regulation 13 of the Charities (Accounts and Reports) Regulations 2008; and
- the information given in the trustees' annual report is consistent with the financial statements.



PKF (UK) LLP
Registered auditors
London, UK
15 July 2009

Consolidated statement of financial activities

(incorporating an income and expenditure account) For the year ended 31 March 2009

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	996	3	999	1,275
Activities for generating funds	4	1,877	-	1,877	1,727
Investment income	5	120	-	120	181
Incoming resources from charitable activities					
Membership subscriptions	2	954	-	954	857
Projects and sponsorship					
Core grant	2	1,040	-	1,040	1,015
Advisory services and information	2	923	2,637	3,560	7,374
Campaigns and communications	2	22	800	822	383
Education and training	2	493	6	499	495
Policy	2	7	198	205	2
Research	2	56	511	567	87
Total incoming resources		6,488	4,155	10,643	13,396

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Resources expended					
Cost of generating funds	6	1,227	-	1,227	1,178
Charitable expenditure					
Costs of activities in furtherance of the charity's objectives					
Advisory services and information		2,333	2,617	4,950	8,509
Campaigns and communications		1,216	1,085	2,301	1,699
Education and training		494	-	494	414
Policy		389	150	539	398
Research		484	542	1,026	591
Governance costs		135	-	135	128
Total charitable expenditure		5,051	4,394	9,445	11,739
Total resources expended	6	6,278	4,394	10,672	12,917
Net incoming/(outgoing) resources		210	(239)	(29)	479
Transfers	17	90	(90)	-	-
Net investment (losses)/gains	10	(457)	-	(457)	(173)
Actuarial gains/(losses) on defined benefit scheme	21	(1,770)	-	(1,770)	1,620
Net movement in funds		(1,927)	(329)	(2,256)	1,926
Funds at 1 April 2008		4,729	676	5,405	3,479
Funds at 31 March 2009		2,802	347	3,149	5,405

All incoming resources and resources expended derive from continuing activities. The statement of financial activities includes all gains and losses recognised in the year. Movements in funds are disclosed in note 17 to the financial statements. The net movement in funds includes £304k of unrealised investment losses. Net realised outgoing resources for the year were £320k (2008: net incoming resources of £485k).

Summarised results for the parent company are as follows:

	NCVO
	£
Total incoming resources	10,622,125
Total resources expended	10,743,239
Net incoming/(outgoing) resources	(121,114)

Group and charity balance sheet

For the year ended 31 March 2009

	Notes	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Fixed assets					
Tangible fixed assets	9	2,264	2,352	2,264	2,352
Investments	10	1,334	1,754	1,289	1,754
		3,598	4,106	3,553	4,106
Current assets					
Stocks	11	39	30	39	30
Debtors	12	1,392	1,311	1,780	1,364
Cash at bank and in hand		2,119	2,668	1,726	2,589
		3,550	4,009	3,545	3,983
Creditors: amounts falling due within one year	13	(2,421)	(2,712)	(2,371)	(2,686)
Net current assets		1,129	1,297	1,174	1,297
Total assets less current liabilities		4,727	5,403	4,727	5,403
Creditors: amounts falling due after one year	14	(285)	(380)	(285)	(380)
Net assets excluding pension liability		4,442	5,023	4,442	5,023
Defined benefit pension scheme liability	21	(1,293)	382	(1,293)	382
Net assets		3,149	5,405	3,149	5,405
Funds					
Restricted funds		347	676	347	676
Unrestricted funds					
Pension reserve		(1,293)	382	(1,293)	382
Designated funds	17	1,963	2,181	1,963	2,181
General funds		2,132	2,166	2,132	2,166
Total funds	17	3,149	5,405	3,149	5,405

Approved and authorised for issue by the Trustee Board and signed on their behalf on 15 July 2009



Sir Graham Melmoth
Chair



Helen Verney
Treasurer

Group cash flow statement

For the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Net Cash Inflow	18	(438)	712
Returns on investments and servicing of finance	19	84	139
Capital expenditure – purchase of tangible fixed assets		(79)	(117)
– net purchase of investments		(45)	-
Total		(478)	734
Financing – repayment of mortgage		(71)	(145)
(Decrease)/Increase in cash		(549)	589
Reconciliation of movement in net cash funds			
(Decrease)/Increase in cash		(549)	589
Cash used to repay loans		71	145
Change in net cash funds	20	(478)	734
Net cash funds at 1 April 2008	20	2,193	1,459
Net cash funds at 31 March 2009	20	1,715	2,193

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. Accounting policies

The financial statements are prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) published in March 2005 and applicable accounting standards and the Companies Act 1985.

a) Accounting convention

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

b) Resources arising – income

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

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

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

Earned income from the sales of subscriptions is shown net of Value Added Tax.

Legacies are included when the charity is advised by the personal representatives that payment will be made or property transferred and the amount involved can be quantified unless there are specific conditions preventing receipt, such as life tenancy. At the year end NCVO was aware of one such legacy property. The property was valued at £230,272 in May 2008 by Barclays Bank Trust Company Limited.

Membership income

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

c) Allocation of costs

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

d) Expenditure

i) Costs of generating funds

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

ii) Charitable expenditure

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

iii) Governance costs

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

iv) Project Overheads allocations

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

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

e) Grant making

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

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

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

f) Rentals

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

g) Fund accounting

The charity maintains the following funds;

i) Restricted funds

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

ii) General unrestricted funds

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

iii) Designated funds

These represent unrestricted funds allocated by Trustees for particular purposes.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, which is provided in equal instalments over the estimated useful lives of the assets.

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

Freehold building	50 years
Computer equipment	3 years
Fixtures and fittings	5 years

All fixed assets costing over £1,000 are capitalised.

i) Investments

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

j) Stocks

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

k) Pension scheme

The charity operates two pension schemes.

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

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

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

l) Consolidation

Consolidated financial statements or 'group accounts' have been prepared in respect of NCVO and its wholly owned subsidiary NCVO Trading Limited. The results of the subsidiary have been consolidated on a line-by-line basis. In accordance with section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005, a separate statement of financial activities for the charity has not been presented.

2. Incoming resources from charitable activities

	Membership subscriptions, conference delegate fees and charitable purpose contracts	Unrestricted grants and sponsorships	Restricted grants and sponsorships	Total	Total
	2009	2009	2009	2009	2008
	£'000	£'000	£'000	£'000	£'000
Membership subscriptions	954	-	-	954	857
Core grant	-	1,040	-	1,040	1,015
Advisory services and information	844	79	2,637	3,560	7,374
Campaigns and communications	-	22	800	822	383
Education and training	421	72	6	499	495
Policy	-	7	198	205	2
Research	52	4	511	567	87
Total	2,271	1,224	4,152	7,647	10,213

Grant and project income	Total Funds 2009	Total Funds 2008
	£'000	£'000
Unrestricted		
Office of the Third Sector – Strategic Grant	1,040	1,015
Anglo Irish Bank – Annual Conference	-	26
Friends Provident	-	11
Other unrestricted income under £15,000	184	95
Total unrestricted	1,224	1,147

Restricted	£'000	£'000
Capacitybuilders – Leadership and Governance National Support Service	600	75
Capacitybuilders – Good Governance Resilience Project	45	-
Barclays Leadership Programme – Governance and Leadership	88	13
Provident Financial – Diversity	-	35
Capacitybuilders – Third Sector Leadership Centre	281	280
Capacitybuilders – Governance Hub	-	1,527
Capacitybuilders – Workforce Hub	222	1,074
Capacitybuilders – Workforce Resilience Projects	79	-
Capacitybuilders – National Priorities Programme: Support, Advice and Improvement for the Third Sector as an Employer	200	-
Sector Skills Development Agency – Workforce Hub	-	60
Capacitybuilders – Responding To Social Change National Support Service	400	59
Calouste Gulbenkian Foundation – Third Sector Foresight	24	-
Vodafone UK Foundation – Third Sector Foresight	-	25
Capacitybuilders – ICT Hub	146	2,385
Charities Evaluation Services – Performance Hub	42	658
Barings Foundation – The Big Response	75	-
bRAP – Beyond Survival: the BME Strategy Programme	36	-
Future Builders England – Sustainable Funding Project	-	141
Big Lottery Fund – Sustainable Funding Project	257	236
Office of the Third Sector – Public Sector Delivery Network	100	-
Charity Bank – Sustainable Funding Project	-	13
Capacitybuilders – Funding Commission	20	-
Office of the Third Sector – Innovations Work	37	49
Vodafone UK Foundation – Collaborative Working	-	50
Sylvia Adams Charitable Trust – Collaborative Working	25	-
Tudor Trust – Collaborative Working	20	20
Capacitybuilders – Campaigning and Advocacy National Support Service	600	6
Big Lottery Fund – Compact Advocacy Second Phase	31	142
Big Lottery Fund – Campaigning Effectiveness Programme	202	217
Big Lottery Fund – Policy Skills	178	4
Office of the Third Sector – Compact Voice	305	207
University of Southampton/Northern Rock Foundation	45	-
Economic and Social Research Council/ London School of Economics Non Governmental Action Programme	28	-
Community Development Foundation – Every Action Counts	-	(11)
The Secretary of State for the Home Department acting through the Crime Directorate – Arranging PL insurance for Neighbourhood Watch groups in England and Wales	-	110
Office of the Third Sector – National Infrastructure Partnership	(29)	95
Capacitybuilders – Online Guide to Resilience Resources	23	-
Marketing and Communications National Support Services	37	-
Commission For Rural Communities – Rural Project	-	(2)
Other grants under £15,000	35	12
Total restricted	4,152	7,480
	5,376	8,627

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

3. Voluntary income

	Unrestricted Funds 2009 £'000	Restricted Funds 2009 £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Donations through Charities Aid Foundation	992	-	992	968
Legacies	-	-	-	300
Other donations and voluntary income	4	3	7	7
	996	3	999	1,275

4. Activities for generating funds

	Unrestricted Funds 2009 £'000	Restricted Funds 2009 £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Brokered services	301	-	301	341
Fees for services	376	-	376	387
Conference suite hire	1,005	-	1,005	828
Publications	195	-	195	171
	1,877	-	1,877	1,727

5. Investment income

	Unrestricted Funds 2009 £'000	Restricted Funds 2009 £'000	Total Funds Total 2009 £'000	Total Funds Total 2008 £'000
Dividends	55	-	55	55
Bank interest	65	-	65	126
	120	-	120	181

6. Resources expended

	Staff costs £'000	Premises costs £'000	Grant making £'000	Support costs £'000	Other expenses £'000	Total 2009 £'000	Total 2008 £'000
Costs of generating funds	716	158	-	60	293	1,227	1,178
Charitable activities		-	-	-	-		
Advisory services and information	2,591	64	534	261	1,500	4,950	8,509
Campaigns and communications	1,201	34	-	420	646	2,301	1,699
Education	124	6	-	15	349	494	414
Policy	446	11	-	46	36	539	398
Research	677	17	-	81	251	1,026	591
Governance costs	56	-	-	-	79	135	128
Total 2009	5,811	290	534	883	3,154	10,672	12,917
Total 2008	5,917	288	1,901	610	4,201	-	12,917

Other expenses include commissioning £1,739,573 (2008: £2,111,227); consumables £604,179 (2008: £555,714) and events £362,572 (2008: £599,927).

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

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

	Total Funds 2009 £'000	Total Funds 2008 £'000
ICT Hub		
ICT hub partnership payments		
LASA	56	369
Abilitynet	-	136
NAVCA	-	547
IT4 Communities	-	190
	56	1,242
Workforce Hub		
Workforce – SSSA funding		
SCVO	-	15
WCVA	-	15
NICVA	-	12
Workforce hub project grants		
NAVCA	-	293
LVSC	-	24
Other project grants £10,000 and under	-	28
	-	387
Governance Hub		
NAVCA	-	28
Black Training and Enterprise Group	-	16
Suffolk Association of Voluntary Organisations	-	20
Other project grants £10,000 and under	-	194
	-	258
Governance and Leadership National Support Service		
Community Sector Coalition	180	-
Association of Chief Executives of Voluntary Organisations	171	-
Other project grants £10,000 and under	-	-
	351	-
Barings The Big Response		
Global Action Plan	22	-
Green Alliance	16	-
Other project grants £10,000 and under	-	-
	38	-
Other project grants		
Other project grants £10,000 and under	-	14
	-	14
PL insurance for Neighbourhood Watch groups in England and Wales	89	-
	89	-
Total grants and partnership fees paid	534	1,901

7. Employees

	2009 £'000	2008 £'000
Wages and salaries	4,400	4,547
Social security	459	469
Pension costs	320	270
Temporary staff and staff training	632	631
	5,811	5,917

The pension costs were split between the defined benefit and defined contribution scheme, £171,141 (2008: £109,499) and £148,751 (2008: £160,166) respectively.

There are 23 staff accruing benefits in the defined benefit scheme (2008: 27).

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

	2009 Number	2008 Number
Generating funds	13	9
Advisory services and information	55	71
Campaigns and communications	29	28
Education and training	5	8
Policy	10	7
Research	15	9
	127	132

Employees earning over £60,000 during the year

	2009 Number	2008 Number
£70,000 – £80,000	-	1
£80,000 – £90,000	4	3
£110,000 – £120,000	-	1
£120,000 – £130,000	1	-

Two of the above staff in 2009 are members of the defined benefit pension scheme (2008: 2).

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

This is stated after charging:	2009 £'000	2008 £'000
Auditor's remuneration		
– audit fees	19	20
– other	10	0
Depreciation	167	164
Bank charges	9	9
Bank interest		
– on commercial mortgage	27	41
Trustees' expenses	4	2

No members of the Trustee Board received any remuneration during the year. Travel and subsistence expenses reimbursed to sixteen trustees amounted to £4,205 (2008: £1,652 to thirteen trustees).

9. Tangible fixed assets (group and charity)

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2008	3,179	1,469	884	5,532
Additions	-	65	14	79
Disposals	-	(894)	-	(894)
At 31 March 2009	3,179	640	898	4,717
Depreciation				
At 1 April 2008	984	1,410	786	3,180
Charge for the year	64	65	38	167
Disposals	-	(894)	-	(894)
At 31 March 2009	1,048	581	824	2,453
Net book value				
At 31 March 2008	2,195	59	98	2,352
At 31 March 2009	2,131	59	74	2,264

Capital commitments of £49,000 have been agreed for the customer relationship management system (CRM) which will continue during 2009/10.

10. Investments (group and charity)

	Cash deposits £'000	Unlisted £'000	Listed £'000	Total £'000
Market Value				
At 1 April 2008	64	-	1,690	1,754
Additions	-	45	205	250
Disposal proceeds	(60)	-	(153)	(213)
Realised losses	-	-	(103)	(103)
Unrealised investment gains/(losses)	-	-	(354)	(354)
At 31 March 2009	4	45	1,285	1,334
Cost				
At beginning of year		1	1,598	1,599
At end of year		1	1,437	1,438

	2009 £'000	2008 £'000
Being at market value		
Investment assets in the United Kingdom	946	1,321
Investment assets outside the United Kingdom	388	433
	1,334	1,754
	2009 £'000	2008 £'000
The following funds have a value of 5% or greater of the total NCVO portfolio		
Aegon Fund Management UK Ethical Income	74	93
Aberdeen Trust Managers Ethical World	74	98
Norwich Union Collective	-	89
Rathbone Ethical Bonds	69	95
Morley Fund Management	-	-
Other holdings less than 5%	1,117	1,379
Total	1,334	1,754

NCVO consolidates investments belonging to other charitable trusts that it manages as allowed by the Charity Commission's Detailed Guidance (February 2003) and these are managed by Rathbone Greenbank Ltd. Only the funds that relate to NCVO are disclosed in these accounts. The value of the investment portfolio attributed to NCVO is equal to NCVO's proportion of the total funds invested at cost by Rathbones.

11. Stocks

	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Publications	33	24	33	24
Stationery	6	6	6	6
	39	30	39	30

12. Debtors

	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Debtors	981	804	842	701
Accrued income	294	381	257	328
Amount due from subsidiary	-	-	564	209
Prepayments	117	126	117	126
	1,392	1,311	1,780	1,364

13. Creditors: amounts falling due within one year

	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Bank loan (secured – see note 14)	119	95	119	95
Taxation and social security	142	137	142	137
Other creditors	681	754	646	761
Accrued Expenditure	773	670	773	654
Deferred Income	706	1,056	691	1,039
	2,421	2,712	2,371	2,686
Deferred Income consists of:				
	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Deferred Income	246	642	231	625
Membership subscriptions	460	414	460	414
	706	1,056	691	1,039

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

	Consolidated 2009 £'000	Consolidated 2008 £'000	NCVO 2009 £'000	NCVO 2008 £'000
Bank loan (secured)	285	380	285	380
Analysis of loan repayments				
Within one year	119	95	119	95
Between one and two years	95	95	95	95
Between two and five years	190	285	190	285
After five years	-	-	-	-
Balance at 31 March 2009	404	475	404	475

The bank loan funded the purchase of the freehold property at Regent's Wharf, All Saints Street, London N1. These offices are occupied by NCVO. The original amount borrowed was £1,900,000. The loan is repayable by equal instalments until June 2012. Interest is charged at three month sterling LIBOR plus 2%. The loan is secured by legal mortgage over the property.

15. Operating leases

NCVO has an operating lease on Birchall House with annual commitments detailed below. In addition during the year we took out a lease with Oce Finance Limited for Multi Functional Devices which provide our photocopying, printing and document scanning facilities.

	Consolidated 2009 £'000	NCVO 2008 £'000
Birchall House Lease	148	154
Oce Finance Limited	9	-
Total	157	154

16. Analysis of net group assets

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted £'000	Total Funds excluding pension fund £'000	Pension Fund £'000	Total £'000
Tangible fixed assets	-	2,264	-	2,264	-	2,264
Investments	1,334*	-	-	1,334	-	1,334
Net current assets (excluding loan)	798*	103*	347	1,248	-	1,248
Pension Fund	-	-	-	-	(1,293)	(1,293)
Loans	-	(404)	-	(404)	-	(404)
Total	2,132	1,963	347	4,442	(1,293)	3,149

NCVO's readily realisable reserves as identified by the reserves policy consist of those identified * above, which total £2.2m.

17. Movement in group funds

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

The total income figure of £8,419k includes the actuarial loss of £1,770k referenced in the SOFA. The total expenditure figure includes the net investment loss of £457k also referenced in the SOFA.

The transfers of £90k referenced under restricted funds represent balances on project contract fees from prior years. These have now been moved to sit within unrestricted funds to differentiate them from the grant funded areas.

17. Movement in group funds (continued)

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 2008 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 Mar 2009 £'000
Designated Funds					
Fixed Assets	1,877	-	-	(17)	1,860
Innovation fund	94	-	(94)	-	-
Web 2.0	50	-	(50)	-	-
Governance and Leadership	110	-	(60)	25	75
Property maintenance	50	-	(22)	-	28
Total designated funds	2,181	-	(226)	8	1,963
Other charitable funds					
Unrestricted	2,166	6,034	(6,055)	(13)	2,132
Total General Funds	2,166	6,034	(6,055)	(13)	2,132
Restricted Funds					
Governance Hub	153	-	(153)	-	-
Workforce and Working For A Charity	5	504	(507)	-	2
ICT Hub	33	146	(179)	-	-
Performance Hub	-	42	(42)	-	-
Responding To Social Change	45	424	(469)	-	-
Compact Voice	1	305	(306)	-	-
Campaigning Effectiveness Programme	2	202	(142)	-	62
Campaigning and Advocacy Programme	6	600	(606)	-	-
Compact Advocacy	-	31	(31)	-	-
Sustainable Funding Project	107	357	(373)	(65)	26
Neighbourhood Watch Insurance	89	-	(89)	-	-
Collaborative Working Project	61	45	(95)	-	11
Governance and Leadership	93	733	(745)	(25)	56
Infrastructure National Partnership	27	(27)	-	-	-
PERFORM	4	-	(4)	-	-
Innovation Work	49	37	(78)	-	8
Funding Commission	-	20	-	-	20
Policy Skills	-	178	(150)	-	28
Scoping The Sector	-	45	(45)	-	-
Non Government Public Action	-	28	(28)	-	-
Resilience Resources	-	23	(23)	-	-
Strategy and Impact	-	111	(92)	-	19
Marketing and Communications National Support Service	-	37	(37)	-	-
Third Sector Leadership Centre	-	281	(180)	-	101
Other restricted grants and donations under £20,000	1	33	(20)	-	14
Restricted investment income	-	-	-	-	-
Total	676	4,155	(4,394)	(90)	347
Total funds	5,023	10,189	(10,675)	(95)	4,442
Pensions liability	382	(1,770)	-	95	(1,293)
Total funds after pensions liability	5,405	8,419	(10,675)	-	3,149

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

Designated and Restricted Funds

NCVO has designated resources to five funds which are discussed briefly below:

Fixed Assets

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

Innovation Fund

A fund to provide front end investment costs for initiatives to generate future earned income for NCVO. The fund was used during 2008/09 for the development of the customer relationship management system Property Maintenance.

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

Web 2.0

Trustees allocated a part of the legacy funding received in 2007/08 towards developing new web based technologies. The £50,000 allocated was used during 2008/09.

Governance and Leadership

Trustees allocated a part of the legacy funding received during 2007/08 to fund additional work within the Governance team over a three year period ending March 2010.

Those areas with restricted funds to be carried forward into 2009/10 are briefly described below:

Workforce (Bursaries)

Works to support, inform and raise standards for all aspects of recruiting, managing and developing the people who work and volunteer in Third Sector Organisations (TSOs).

Campaigning Effectiveness Programme (Big Lottery Fund)

A programme developing a central resource for developing and improving influencing, lobbying and campaigning in the voluntary sector.

Sustainable Funding Project (Big Lottery Fund)

The Sustainable Funding Project is funded on a yearly cycle running January – December and accountable to funders on this cycle. The project encourages and enables voluntary organisations to take a strategic and holistic view of funding.

Collaborative Working Project (Sylvia Adams Charitable Trust/ Tudor Trust)

Funding to run a project promoting collaborative working and providing information, advice and support to voluntary organisations on all aspects of collaborative working.

Governance and Leadership (Barclays)

To enhance the effectiveness and efficiency of voluntary sector boards and trustees.

Strategy and Impact (Barings Foundation)

Developing an outcome based framework for infrastructure organisations.

Innovation Exchange (Office of the Third Sector)

To develop a programme of work to provide: tools and support for innovation and to explore the role played by trusts and foundations in supporting and developing third sector innovation.

Funding Commission (Capacitybuilders)

The task of the Funding Commission is to look ten years into the future to consider what financial tools are needed to encourage more independent civil society action. The Commission was launched in February 2009. It will report by February 2010.

Policy Skills Development Programme (Big Lottery Fund)

A national programme of skills and knowledge development for policy workers across the voluntary sector.

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

	2009 £'000	2008 £'000
Net incoming resources for the year	(29)	479
Investment income and interest paid	(84)	(139)
Depreciation	167	164
(Increase) in stocks	(9)	(3)
(Increase) in debtors	(81)	(106)
(decrease)/increase in creditors	(315)	524
Non cash difference between contributions paid and current service costs less finance income	(91)	(207)
Net cash inflow from operating activities	(442)	712

19. Gross cash flows

	2009 £'000	2008 £'000
Returns on investments and servicing of finance		
Interest received	65	126
Interest and bank charges paid	(36)	(42)
Investment income	55	55
	84	139

20. Analysis of changes in net debt

	At 1 April 2008 £'000	Cashflows £'000	At 31 March 2009 £'000
Cash at bank and in hand	2,668	(549)	2,119
Debt due within one year	(95)	(24)	(119)
Debt due after more than one year	(380)	95	(285)
Total net cash funds	2,193	(478)	1,715

21. Defined benefit pension scheme

As explained in note 1(k), the charity operates a defined benefits pension scheme the assets of which are held separately from the charity.

	2009 %	2008 %	2007 %	2006 %	2005 %
Rate of increase in salaries	2.5	4.4	4.3	4.0	4.0
Rate of increase in pensions in payment	2.7	2.9	2.8	2.5	2.5
Discount rate	6.7	6.5	5.4	4.9	5.4
Inflation assumption	2.7	2.9	2.8	2.5	2.5

	Long term rate of return expected 2009 %	Value 2009 £'000	Long term rate of return expected 2008 %	Value 2008 £'000	Long term rate of return expected 2007 %	Value 2007 £'000	Long term rate of return expected 2006 %	Value 2006 £'000
Equities	7.5	5,311	8.0	6,198	8.0	7,829	8.0	9,401
Bonds	4.7	5,571	4.7	7,051	4.7	5,447	4.3	3,109
Cash	0.5	121	5.3	166	5.3	141	4.5	225
Total market value of assets		11,003		13,415		13,417		12,735
Present value of scheme liabilities		(12,296)		(13,033)		(14,862)		(14,794)
Surplus/(Deficit) in the scheme equalling the net pension liability		(1,293)		382		(1,445)		(2,059)

Analysis of the amount charged to the statement of financial activities for service costs

	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Current service cost	165	198	284	266
Past service cost	-	-	-	-
Total operating charge	165	198	284	266

Net finance income credited to staff costs

	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Expected return on pension scheme assets	825	887	892	732
Interest on pension scheme liabilities	(832)	(797)	(722)	(656)
Net return	(7)	90	170	76
Total	172	108	114	190

Analysis of actuarial loss recognised in statement of financial activities

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Actual return less expected return on pension scheme assets	(2,877)	(800)	(138)	1,687	380
Experience gains and losses arising on the scheme liabilities	31	113	-	-	(298)
Changes in assumptions underlying the present value of scheme liabilities	1,076	2,307	548	(2,039)	(363)
Actuarial gain/(loss)	(1,770)	1,620	410	(352)	(281)

Movement in deficit during the year

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit) in scheme at beginning of year	382	(1,445)	(2,059)	(1,834)	(1,471)
Current service cost	(165)	(198)	(284)	(266)	(306)
Contributions	267	315	318	317	154
Past service costs	-	-	-	-	-
Other finance income	(7)	90	170	76	70
Actuarial gain/(loss)	(1,770)	1,620	410	(352)	(281)
Surplus/(deficit) in scheme at end of the year	(1,293)	382	(1,445)	(2,059)	(1,834)

History of experience gains and losses

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets	(2,877)	(800)	(138)	1,687	380
% of scheme assets	-26.1	-6.0	-1.0	13.4	3.7
Experience gains and losses on scheme liabilities	31	113	-	-	(298)
% of the present value of scheme liabilities	0.3	0.9	0.0	0.0	-2.4

Assumed life expectations on retirement at age 65 are:

	2009	2008
Pensioners		
Males	87.2	86.6
Females	89.9	89.4
Non Pensioners		
Males	87.6	86.6
Females	89.8	89.5

The Employer contributions that NCVO is due to pay into the defined benefit scheme during 2009/10 total £424,000.

22. Taxation

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

23. Related Parties

NCVO is one of four members of The Four Nations Company, a company limited by guarantee, no 3469216. Stuart Etherington (NCVO Chief Executive) serves as a director of The Four Nations Company. The company is currently dormant.

There is one NCVO nominated trustee position on the Board of the Charities Aid Foundation, currently held by Sir Graham Melmoth (NCVO Chair). This is a reduction on the 2008/09 situation when three NCVO trustees sat on the Charities Aid Foundation Board and was agreed in June 2008.

The partner of Stuart Etherington, Chief Executive of NCVO, is an equity partner with Bates Wells and Braithwaite London LLP, NCVO's legal advisers. NCVO have a specific policy in place to avoid any potential conflicts of interest arising by ensuring that all significant elements of work are overseen by the Deputy Chief Executive, Ben Kernighan, in consultation with the Chair, Sir Graham Melmoth.

Professional fees of £39,336 were paid to Bates Wells and Braithwaite during the year for legal advice. There was an outstanding balance owed at the year end of £19,697.

NCVO jointly runs its annual Trustee conference with Bates Wells and Braithwaite and is a partner with them in CaSE Charity and Social Enterprise Insurance Management LLP.

24. Subsidiary and parent company results

The charity owns 100% of the issued share capital in NCVO Trading Limited. The company made a profit of £366k for the year ended 31 March 2009. The investment at cost is £1.

	Trading Company 2009 £'000	Trading Company 2008 £'000
Summary profit and loss account		
Turnover	726	678
Cost of sales	(322)	(258)
Gross profit	404	420
Other operating income	3	7
Expenditure	(41)	(7)
Net profit before gift aid	366	420
Gift aid to NCVO	(366)	(420)
Summary balance sheet		
Fixed Assets – Investments	45	-
Debtors	176	156
Cash at bank and in hand	393	79
	569	235
Creditors: amounts falling due within one year	(614)	(235)
Creditors: amounts falling due after one year	-	-
Net Assets	1	-

25. Contingent Liabilities

As at March 31 2009 there was a balance of funds for the Leadership Centre as highlighted in note 17. A limited amount of the income may be repayable to Capacitybuilders and these funds may be paid back during 2009/10. However, at the date of signing the accounts any amounts due were not known and therefore not included in the company accounts.

Funders, Partners, Corporate and Public Sector Members

We would like to thank the following organisations for their support of NCVO's work in 2008/09

Funders and Business Development Partners

ACU	Consortium (The)	Microsoft
Advocacy Online	Co-operative Bank Plc	National Centre for Diversity
Associa	Co-operative Systems	Odgers Ray and Berndston
b:RAP	Croner	Office Of The Third Sector
Barclays	CS Healthcare	Phoenix Software
Barings Foundation	Danwood	Prospectus Ltd
Big Issue Invest	Datek Solutions Ltd	Provident Financial
Big Lottery Fund	Ebay	Pugh Computers
Bircham Dyson Bell	Economic and Social Research	QA
C3 Imaging London City	Council	Qualifications and Curriculum
CAF Bank	Friends Provident	Authority
Calouste Gulbenkian Foundation	Future Builders	Salesforce.com Foundation
Capacity Builders	GBS Corporate Training Plc	SG Hambros
Carnegie UK Trust	Grass Roots	Sho-net Systems
CaSE Insurance LLP	Greencare H2O	Sylvia Adams Trust
Cass Business School	Guardian	ThirdSectorJobs
Centre Point Software	HR Services Partnership Ltd	TPP Law
Ceridian	HSBC	Triodos
Chantrey Vellacott	HSF	Tudor Trust
Charities Evaluation Services	IDeA: Improvement and	UBS
Charity Bank	Development Agency for Local	Unity Trust Bank
Charity Business	Government	University of Southampton/
Charity Technology Trust	Kingston Smith	Northern Rock Foundation
CIPFA	Learning and Skills Council	Veredus
Class Telecommunications	Linking Up	Whitebox
Comet Business Services	LSI (Utility Broker)	
Commission for the Compact	Media Trust	

Corporate members

3D HR Ltd
 Abbey Solutions UK Ltd
 Academia Ltd
 Action Planning
 ACVO-Services
 Adrian Ashton
 Agenda Consulting Ltd
 Alan Chapman
 Amazon Public Relations
 Ann Hindley
 Ann Lewis Coaching
 Anona Development
 Ansvar Insurance
 Appichar Limited
 Associa
 Axiomatic
 BackupHR
 Baigent Limited
 Barclays
 Bates Wells & Braithwaite
 BBC – Corporate Social
 Responsibility Centre
 BC Consulting
 Being Human
 Blackbaud Europe Ltd
 BlueSpark Consulting
 Bob Widdowson
 British Telecommunications plc
 BUPA
 Camelot Group plc
 Carolyn Gray
 Case Insurance LLP
 CC Works Ltd
 CCLA Investment Management
 Centre for Strategy and
 Communication
 Chantrey Vellacott
 Charitable Futures
 Charity Business
 Charity Fundraising Ltd
 Charity Link
 Cloud Ten Limited
 CLW Consultancy
 Comet Business Services
 Compass Partnership
 Co-operative Bank plc
 Co-operative Systems
 Corporate Culture
 Craigmyle and Company Limited
 CS Healthcare

Danwood
 Dare to Change
 David Russell Associates
 De Voil Consulting
 Deed Consulting Limited
 Dementia Care Matters
 Direct roots
 Diverse City Services
 Douglas Campbell Consulting Ltd
 Durham Productions
 Eileen Murphy Consultants
 Elaine Willis Consultancy
 Eleanor Stanley
 Elucidation
 Emica
 Eminence Grise
 Empower Serving the Voluntary Sector
 Entec Novare Ltd
 Financial Services Authority
 Fiona Baird Associates
 Foundations Consultancy
 Funding Ideas Ltd
 Fundraising Success
 Fuse Jobs
 Gary Hoyte Consulting Ltd
 GatenbySanderson
 GBS Corporate Training Plc
 get2thepoint
 Give or Take
 Global Placement Provider Ltd
 Goldman Sachs
 Goodwill Mortgages
 Grange Group
 Greencare H2O
 Hanson Consulting
 Harbottle and Lewis
 Haysmacintyre
 HBOS
 Herbert Parnell Financial Services Ltd
 Holmes Consultancy Services
 Horizon Computer Solutions
 Horwath Clark Whitehill
 HR Services Partnership Ltd
 IBM UK Trust
 Interactions Ltd
 IPA Consultancy
 J Hill Associates
 Jackson and Jackson
 Janice Needham
 JB Consulting

JB Eventus Ltd
 Jessie Torrance
 John Quill
 JPA Europe Limited
 JS2 Limited
 Julie Fewtrell Human Resources
 Karen Greenwood Consultancy
 Keegan & Pennykid (Insurance
 Brokers Ltd)
 Kim Donahue
 Land Securities PLC
 Lighting Reality Ltd
 Linda Laurance & Associates
 Liz Firth
 Lumina
 MacWilliam Associates
 Making the Difference (UK) Ltd
 Management Centre
 Mandy Barnett Associates
 Mark McNestry
 MDA
 Mitchell Charlesworth
 Naomi Diamond
 National Institute of Medical
 Herbalists
 Network Charity Recruitment
 Nfp Resourcing
 Nfp Synergy
 O2 plc
 Odgers Ray & Berndston
 Onyx consulting and training
 Owen Morris Consulting
 Paul Bragman Community
 Regeneration Consultancy
 Paul D Baird Ltd
 People Unlimited
 Perception
 Perfect Moment
 Pharmaceutical Microbiology
 Interest Group (The)
 Phoenix Software
 PKF
 Planning Together Associates
 Plus People
 Presnow LLP
 Principle Consulting
 Prospectus Ltd
 Provident Financial
 Red Ochre
 Remedy Creative Ltd

Resources For Change Ltd
 RHCS (Rawlings Heffernan
 Consultancy Services Ltd)
 Richard Collings
 Rockpools
 Roger Benson Associates
 Rosalind Oakley
 Royal Mail
 Russel Cooke Solicitors LLP
 Samtosh Training Consultancy
 Sarasin Chiswell
 Schroders Investment Management
 Scott Williams Consultancy
 Sea Change Events
 Senan Solutions Ltd
 Service Industry Support Ltd
 Sharp Research Services
 Sho-net Systems
 SIFT
 Simple Business Solutions
 SJ Royce
 Skills Force Ltd
 Standard Life
 Stephen Blakemore Consultancy
 & Training
 Stone King
 Studiohope Ltd.
 T L First (Accountants &
 Consultants)
 Tamara Essex Consultancy
 Taylorhouse Consulting
 TCF Associates
 The essentiagroup (NCVO Helpdesk)
 The Projects Partnership
 Touchstone
 TP Consultants
 TransForm Management
 Consultants
 Triodos Bank
 UBS
 Unity Trust Bank
 Vantis PLC
 Veredus
 Volunteer Solutions
 Winter Rule
 Wootton George Consulting Ltd
 Yvonne Rivers
 Zenon Consulting

Public Sector Members

Big Lottery Fund
 Blackpool Council
 Chartered Society of Physiotherapy
 Children and Family Court Advisory
 and Support Services
 Community Trade Union
 Essex County Council
 Halton Borough Council
 Herefordshire Council
 Hertfordshire County Council
 HM Revenue and Customs
 (Manchester)
 IDeA:Improvement and
 Development Agency for Local
 Government
 Imperial College
 Kent and Medway Strategic Health
 Authority
 Knowsley Primary Care Trust
 Learning & Skills Council
 Lincolnshire Fire & Rescue
 Liverpool Youth Offending Service
 London Borough of Camden
 London Borough of Greenwich
 London Borough of Havering
 London Borough of Southwark
 London Metropolitan University
 Met Office
 Papworth Hospital NHS
 Foundation Trust
 Portsmouth City Council
 Sandwell Metropolitan Borough
 Council
 Sheffield Hallam University
 Sheffield Teaching Hospitals
 Foundation Trust
 Society For The Furtherance Of
 Critical Philosophy
 Somerset County Council
 Surrey County Council
 Thurrock Council
 Transport for London
 Tyne & Wear Fire & Rescue
 University of Birmingham
 University of Kent
 University of the West of England
 Watford Borough Council
 Worcestershire County Council

