

**NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(CHARITABLE COMPANY - INCORPORATED
UNDER GUARANTEE)**

**ANNUAL REPORT AND
GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2013**

GOLDBLATT McGUIGAN

Chartered Accountants & Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(INCORPORATED UNDER GUARANTEE)

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For the year ended 31 March 2013

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NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(INCORPORATED UNDER GUARANTEE)

GENERAL INFORMATION

Honorary Officers Details

President

Sir Kenneth Branagh

Vice-President

Dr Jeremy Harbison

Secretary, Registered Office and Contact Details

Úna McKernan
61 Duncairn Gardens
Belfast
BT15 2GB
Tel: (028) 9087 7777
Fax: (028) 9087 7799
Minicom: (028) 9087 7776
e-mail: info@nicva.org
Websites: www.nicva.org
www.communityni.org
www.grant-tracker.org

Directors/Executive Committee

Marie Cavanagh (Chair)
Bob Stronge (Chair) (Term of Office ended 26 October 2012)
Michael Briggs
Margaret Baumann
Elizabeth Cuddy (Re-elected 26 October 2012)
Michael Hughes (Re-elected 26 October 2012)
Eddie Magowan (Term of Office ended 26 October 2012)
Audrey Murray
Eileen Chan-Hu
Paul Roberts (Re-elected 26 October 2012)
Peter McBride
Margaret Ward
Diane Rathfield (Elected 26 October 2012)
Margaret Sinnott (Elected 26 October 2012)

**Recognised by HMRC as a charity
under Reference Number**

XN 47024

Company Number

NI001792

Statutory Auditors

Goldblatt McGuigan
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

Solicitors

Elliott Duffy Garrett
Royston House
34 Upper Queen Street
Belfast
BT1 6FD

Bankers

First Trust Bank
35 University Road
Belfast
BT7 1ND

Chief Executive and Senior Staff

| | | |
|------------------------------------|---|------------------|
| Chief Executive | - | Seamus McAleavey |
| Deputy Chief Executive | - | Úna McKernan |
| Head of Information Management | - | Stephen Gray |
| Head of Organisational Development | - | Sandra Bailie |
| Head of Public Affairs | - | Lisa McElherron |

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee present their report and the audited financial statements of the group for the year ended 31 March 2013.

Principal Activities

The principal activity of the Charity, being a voluntary sector development agency committed to social change, is the alleviation of disadvantage amongst communities, families and individuals through the provision of information, advice, training and development services to community and voluntary groups in Northern Ireland.

The principal activity of the subsidiary company during the year was the provision of HR, financial and other support services to the voluntary and community sector and to small businesses.

Reference and Administrative Details of the Charity, Committee Members and Advisers

The reference and administration details of the Charity are as outlined on Page 1.

Structure, Governance and Management

Governing Document

The Northern Ireland Council for Voluntary Action (NICVA) is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 1 August 1944 and amended as at 5 September 2001 and 20 November 2009.

Appointment of Executive Committee

NICVA is governed by an Executive Committee elected by its member organisations on an annual basis through a postal ballot using the single transferable vote system. All NICVA members are invited to nominate to the committee, which consists of 12 people elected for a three year period. Elected members, on completion of their three year term, may stand for re-election if they so wish. One third (or the number nearest one third) of the committee so elected must retire at each annual general meeting, those longest in office retiring first. For this financial year, there were five places for Executive Committee members due to the expiration of the current Chairman's term of office and to four members whose term of office expired. With five nominations and five vacant places, it was deemed unnecessary to hold an election prior to the AGM on 26 October 2012. The five nominees were elected at the AGM.

Committee Induction and Training

New Executive Committee members undergo induction training to brief them on roles and responsibilities and their legal obligations under charity and company law, the committee and the decision-making processes, the strategic and operational planning processes, the organisational structure and key organisational activities. Executive Committee members are provided with copies of the NICVA Governance Manual which includes the Memorandum and Articles of Association, Role Descriptions for Office Bearers and Committee members and Sub Committees, NICVA Finance Procedures and the NICVA Equal Opportunities Policy.

Organisational Structure

The Executive Committee ensures the good governance of the organisation by setting its strategic objectives and policy direction through NICVA's three year strategic plan and monitoring progress on this through the annual operational planning process. The Committee meets every six weeks and the Resources Sub-Committee which deals with the human and financial resources of the organisation meets on a quarterly basis. The Chief Executive, appointed by the Committee, manages the day to day operations of the organisation. To facilitate effective operations, the Chief Executive has delegated authority for operational matters including the application and monitoring of strategic and operational objectives.

Related Parties

NICVA is an independent organisation and therefore all operations are carried out in accordance with this. However, by the nature of the objects of the charity, NICVA works closely with the membership representing their interests to government bodies and funders as appropriate. NICVA continues to support its social economy business, Sector Matters which was established in November 2009.

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

Risk Management

Financial risks are assessed by the organisation through the Resources Committee on a quarterly and annual basis. Core funding is provided by the Department for Social Development (DSD) which periodically conducts a Risk Assessment on all funded organisations. NICVA has retained its low risk status demonstrating that robust financial systems and controls are in place. NICVA continues to monitor all procedures associated with risk management.

Objectives, Activities, Achievements and Performance

As reflected in the report for 2011-2012, our new strategy for 2012-2015 took effect this year. This strategy reflects a shared consensus by our stakeholders on the future direction and focus of our work for the next three years. This process has been effectively linked to the review by the Voluntary and Community Unit, Department for Social Development (DSD) of the Regional Infrastructure Programme (RIP). This resulted in the development of a new programme, the Regional Infrastructure Support Programme (RISP), to be delivered over the period from 1 October 2012 to 31 March 2015.

NICVA led a consortium bid in partnership with the Rural Community Network (RCN), Chief Officers 3rd Sector (CO3) and Community Evaluation NI (CENI). The bid was successful and the delivery commenced in October 2012. The work on RISP is integrated into the overall delivery of NICVA's strategic plan which commenced April 2012. Our three core themes to "Lead, Develop and Connect" are supported by eight key strategic objectives. These are listed in the table below.

| Theme | | Strategic Objective |
|---------|-------------|--|
| LEAD | INNOVATE | To provide strategic leadership for change and innovation and for building solidarity within the sector and to bring forward solutions to societal challenges. |
| | INFLUENCE | To continue to develop relationships with government leading to a more robust challenge at all levels. |
| | RESEARCH | Listen to and gather evidence on behalf of the voluntary and community sector. |
| DEVELOP | SUPPORT | To support voluntary and community sector organisations to build their organisational capacity and development potential. |
| | SKILL | To enable voluntary and community sector organisations to access high quality and diverse learning opportunities. |
| | INFORM | To enable voluntary and community organisations to access relevant information, guidance, advice and resources. |
| CONNECT | NETWORK | To create, identify and provide opportunities for networking to share information, learning and effective practice. |
| | COLLABORATE | To promote and facilitate joint working to support more effective delivery of services. |

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REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

The following table provides a summary of all NICVA events held which contribute to a number of the strategic objectives.

Summary Events Held

| Event Type | No of Events | No of Participants |
|--|--------------|--------------------|
| Conferences/Seminars | 42 | 1494 |
| Training (courses and consultancy) | 589 | 3549 |
| Formal meetings/consultations/representation | 335 | 1171 |
| Total | 966 | 6214 |

Summary Evaluation Events

| Event Type | Excellent | Very Good | Good | Satisfactory |
|--------------------|-----------|-----------|------|--------------|
| Conference/Seminar | 35% | 49% | 14% | 2% |
| Training events | 61% | 31% | 6% | 2% |

As noted above, our three core themes to “Lead, Develop and Connect” are supported by eight key strategic objectives. The following highlights some of the work in support of the delivery of the plan during our first year of implementation.

| Theme | Objective | Output |
|-------------|------------------|---|
| LEAD | INNOVATE | In support of this objective, we organised three conferences, Collaboration for Change, Creating the Good Economy and Launch of Will to Give. We delivered four seminars, eleven support sessions and facilitated or attended 9 meetings. A major focus of the work was in the delivery of our project “Centre for Economic Empowerment” (CEE). Through CEE, we want to see the development of a Northern Ireland economy that delivers results for all citizens – including the most vulnerable. The CEE provides a platform for discussion, analysis and best practice approaches to our economic and societal challenges. We established, provide secretariat to and launched the Will to Give Initiative. |
| | INFLUENCE | In support of this objective we facilitated, provided secretariat or attended 253 meetings to influence policy development and change. This included our work on the Joint Government/Voluntary sector forum, Child Poverty Alliance, Welfare Reform Group, Equality Coalition, Green New Deal and the All Party Group on the voluntary and community sector. We also participated in the Bureaucracy working group lead by DSD, Green New Deal, Concordat Action Teams as well as attending all the party conferences. NICVA hosted two seminars on Welfare Reform Debate Rates rebate consultation and Charity Registration & Public benefit guidance. |
| | RESEARCH | During the year we produced eight major research development projects mainly in support of our work within the Centre for Economic Empowerment. This included the Economic Attitudes Survey, the OFMdfM pay day lending research, research in to social clauses in government contracts as well as six opinion pieces as part of the economic conference. |

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

| Theme | Objective | Output |
|----------------|-------------|---|
| DEVELOP | SUPPORT | In providing direct support to voluntary and community sector organisations staff provided 137 direct support sessions including reviewing organisation's governing documents, applying for charitable status, providing support for collaborative working and undertaking training needs analysis for the connecting older people contract support by Big Lottery Fund. 38 direct training sessions were provided and 15 fundraising advice clinics delivered. |
| | SKILL | In providing skills development opportunities to the sector, 353 training sessions were delivered, 28 support sessions, 31 meetings, one seminar and two clinics. This included training delivered as part of our contracts on behalf of the Big Lottery Fund (Reaching Communities, Reaching Out Connecting Older People) IFI (Community Leadership Programme and Peace III (Vital Links) and Building Change Trust (CollaborationNI). Furthermore WE ran two major conferences, Collaborating for Social Change (CollaborationNI) and How Government Departments Get and Send their Money (Vital Links). |
| | INFORM | Our work to inform the sector takes many forms including the NICVA family of websites, member mailings, electronic mailings, social media and direct advice and guidance to groups on request. 646 support cases were registered, this includes advice on Human Resources, Governance, Fundraising and Information Management. NICVA also hosted seven seminars with the Equality Commission on Equality employment matters. NICVA News was produced and distributed 10 times to NICVA members. 46 enews were circulated to 3091 subscribers. www.nicva.org 166,998 site visits and 385,545 page views. www.communityni.org 387,537 site visits 2,640,354 page views. 1048 events and 1261 jobs added. |
| CONNECT | NETWORK | To provide greater opportunities for networking with voluntary and community sector organisations, NICVA continues to facilitate the work of 11 policy fora. Secretariat was provided for 27 meetings. Four conferences were arranged including two for the Community leadership programme, one for Reaching Out connecting Older People on Engaging the Hard to reach and one Membership Conference. |
| | COLLABORATE | Our work in this area is supported through the delivery of two of our programmes, Regional infrastructure Support Programme (RISP) and Collaboration NI. In partnership with CO3, CENI and RCN in the delivery of RISP NICVA undertook 43 meetings which included formal engagement with Urban and rural networks, local councils, DSD and the partners. The CollaborationNI programme provided 53 facilitated training sessions and 34 support sessions. |

Financial Review

The results are set out in detail on pages 10 to 30. The group returned net incoming resources for the year of £159,658 (2012 - £110,339), of which there was net incoming resources of £126,086 unrestricted and net incoming resources of £33,572 restricted. There was a net increase in funds of £159,658 (2012 - £110,339) after other recognised gains and losses.

The unrestricted funds are considered to be essential to provide sufficient funds to cover any unforeseen costs which may arise and fulfil the legal obligations of the Charity in the event that current levels of income are not maintained.

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

Investment Policy

The Resources Sub-Committee has considered the most appropriate policy for investing funds and decided that a mixture of bank deposit accounts and holding an investment portfolio with Barclays Wealth were best placed to meet its requirements to generate income and provide capital growth in the context of the economic climate during the year. The investment policy is reviewed quarterly by the Committee.

Reserves Policy

The reserves policy has been designed in order to recognise NICVA's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed should equate to 12 months total resources expended. The aim is to provide sufficient funds to cover any unforeseen costs which may arise, recognise the volatile grant environment as well as allowing for the payment of any liabilities which would arise should the Charity cease to operate. Any call upon the use of reserves will be at the approval of the Executive Committee which will examine the rationale for doing so and agree an amount where appropriate.

At 31 March 2013, the level of "free reserves", excluding fixed assets and designated funds were £1,001,344 (2012 - £969,021).

Plans for Future Periods

NICVA will continue to deliver the Strategic Plan for 2012-2015. Within the next financial year, existing contracts will come to an end so the Charity will continue to seek opportunities to source new funding and bid for relevant contracts in support of its mission, vision and values.

Funds held as Custodian Trustee on behalf of others

NICVA administers the Cheques for Charity scheme whereby they receive, claim gift aid and hold monies on behalf of donors and disburse according to their instructions.

In addition, NICVA was requested by the directors of the Social Economy Network and Access to Benefits to act as custodian of the net assets resulting from the wind-up of the organisation's activities. The funds are to be held for a maximum period of one year until a sub-committee with delegated powers is set up.

Details of these restricted funds are included within Note 24 and 25 to the accounts.

Conduit Funding

NICVA is responsible for receiving and distributing funds on behalf of the Department for Social Development. £175,048 was received and distributed during the year and no balance was held in relation to these monies at 31 March 2013.

Responsibilities of the Directors

The directors are responsible for preparing the Report of the Executive Committee and the group financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare group financial statements for each financial year which give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the directors 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 charitable company will continue in business.

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

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE EXECUTIVE COMMITTEE (Cont'd)

Statement of Disclosure of Information to Auditor

In so far as the directors, who held office at the date of approval of the financial statements, are aware:

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

Registered office:
61 Duncairn Gardens
Belfast
BT15 2GB

By order of the Executive Committee

ÚNA McKERNAN
Secretary

Accepted as a charity by HM Revenue & Customs
under Reference No: XN 47024

Approved by the directors on 13 November 2013

Registered in Northern Ireland
No. NI001792



GOLDBLATT McGUIGAN

Alfred House, 19 Alfred Street, Belfast BT2 8EQ

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www.goldblattmcguigan.com

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION **(INCORPORATED UNDER GUARANTEE)**

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS **OF NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION**

We have audited the group and parent charitable company financial statements ("the financial statements") of Northern Ireland Council for Voluntary Action for the year ended 31 March 2013 on pages 10 to 30. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Executive Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

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



NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS
OF NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION (Cont'd)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Executive Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.

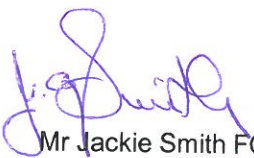
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.

Alfred House
19 Alfred Street
Belfast
BT6 8EQ

13 November 2013


Mr Jackie Smith FCA
(Senior Statutory Auditor)
For and on behalf of Goldblatt McGuigan
Chartered Accountants
& Statutory Auditors

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(INCORPORATED UNDER GUARANTEE)

GROUP STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2013

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2013 £ | Restated Total Funds 2012 £ |
|--|---------|----------------------------|--------------------------|--------------------------|--------------------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income | 4 | 642,771 | 144,326 | 787,097 | 743,029 |
| Activities for generating funds | 5 | 165,853 | - | 165,853 | 142,996 |
| Investment income | 6 | 1,217 | 6,631 | 7,848 | 10,416 |
| Incoming resources from charitable activities: | 7 | | | | |
| Grants received | | - | 389,903 | 389,903 | 377,689 |
| Other income | | 1,156,136 | 90,133 | 1,246,269 | 1,525,219 |
| Contributions to administration | | 46,786 | - | 46,786 | 43,438 |
| Total incoming resources | | <u>2,012,763</u> | <u>630,993</u> | <u>2,643,756</u> | <u>2,842,787</u> |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Commercial trading operations | 5 | 158,644 | - | 158,644 | 138,495 |
| Cost of generating voluntary income | 8 | 6,825 | - | 6,825 | 7,268 |
| Charitable activities | 9 | 1,840,328 | 576,671 | 2,416,999 | 2,548,169 |
| Governance costs | 10 | 7,871 | - | 7,871 | 19,103 |
| Total resources expended | | <u>2,013,668</u> | <u>576,671</u> | <u>2,590,339</u> | <u>2,713,035</u> |
| Net (outgoing)/incoming resources before other recognised gains and losses | | (905) | 54,322 | 53,417 | 129,752 |
| Gains/(Losses) on investment assets | | 106,241 | - | 106,241 | (19,413) |
| Net incoming resources for the year | 11 | 105,336 | 54,322 | 159,658 | 110,339 |
| Transfer between funds | | 20,750 | (20,750) | - | - |
| Net incoming resources after transfers for the year | | 126,086 | 33,572 | 159,658 | 110,339 |
| <i>Reconciliation of funds</i> | | | | | |
| Total funds brought forward (as originally stated) | | 2,117,843 | 1,337,560 | 3,455,403 | 3,422,689 |
| Prior year adjustment | | 77,625 | - | 77,625 | - |
| Total funds brought forward (as restated) | | <u>2,195,468</u> | <u>1,337,560</u> | <u>3,533,028</u> | <u>3,422,689</u> |
| Total funds carried forward | 22 & 23 | <u>2,321,554</u> | <u>1,371,132</u> | <u>3,692,686</u> | <u>3,533,028</u> |

The Group Statement of Financial Activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(INCORPORATED UNDER GUARANTEE)

GROUP AND CHARITABLE COMPANY BALANCE SHEET
At 31 March 2013

| | Notes | Group 2013 £ | Restated Group 2012 £ | Charitable Company 2013 £ | Charitable Company Restated 2012 £ |
|--|-------|--------------------|--------------------------------|------------------------------------|--|
| Fixed assets | | | | | |
| Tangible assets | 14 | 1,586,797 | 1,640,432 | 1,586,282 | 1,640,154 |
| Investments | 15 | <u>705,880</u> | <u>601,958</u> | <u>705,881</u> | <u>601,959</u> |
| | | <u>2,292,677</u> | <u>2,242,390</u> | <u>2,292,163</u> | <u>2,242,113</u> |
| Current assets | | | | | |
| Debtors | 16 | 647,972 | 1,001,177 | 678,898 | 1,043,377 |
| Cash on short term deposit | | 982,083 | 631,043 | 982,083 | 631,043 |
| Cash at bank | | 214,553 | 225,591 | 180,378 | 200,378 |
| Cash in hand | | <u>130</u> | <u>130</u> | <u>100</u> | <u>100</u> |
| | | 1,844,738 | 1,857,941 | 1,841,459 | 1,874,898 |
| Creditors: | | | | | |
| amounts falling due within one year | 17 | <u>(426,256)</u> | <u>(559,356)</u> | <u>(411,311)</u> | <u>(542,675)</u> |
| Net current assets | | <u>1,418,482</u> | <u>1,298,585</u> | <u>1,430,148</u> | <u>1,332,223</u> |
| Total assets less current liabilities | | <u>3,711,159</u> | <u>3,540,975</u> | <u>3,722,311</u> | <u>3,574,336</u> |
| Creditors: amounts falling due after more than one year | 18 | <u>(18,473)</u> | <u>(7,947)</u> | <u>(18,473)</u> | <u>(7,947)</u> |
| Net assets | | <u>3,692,686</u> | <u>3,533,028</u> | <u>3,703,838</u> | <u>3,566,389</u> |
| Funds | | | | | |
| General funds | 22 | 2,127,688 | 1,997,369 | 2,138,840 | 2,030,730 |
| Designated funds | 22 | 193,866 | 198,099 | 193,866 | 198,099 |
| Restricted funds | 23 | <u>1,371,132</u> | <u>1,337,560</u> | <u>1,371,132</u> | <u>1,337,560</u> |
| Total funds | | <u>3,692,686</u> | <u>3,533,028</u> | <u>3,703,838</u> | <u>3,566,389</u> |

The financial statements on pages 10 to 30 were approved and authorised for issue by the Executive Committee on 13 November 2013 and were signed on its behalf by:

MARIE CAVANAGH
Director and Chair

Company Registration Number – NI001792

NORTHERN IRELAND COUNCIL FOR VOLUNTARY ACTION
(INCORPORATED UNDER GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

1. NATURE OF COUNCIL

Northern Ireland Council for Voluntary Action (The Council) is an incorporated company limited by guarantee with charitable tax status.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including the Statement of Recommended Practice on 'Accounting and Reporting by Charities (2005)'. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of Consolidation

The group financial statements incorporate the financial statements of the charitable company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over three years from the year of acquisition. The results of companies acquired or disposed of are included in the statement of financial activities after or up to the date that control passes respectively. As a group income and expenditure account is published, a separate income and expenditure account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Incoming resources

All incoming resources are included in the statement of financial activities when the Charity and its subsidiary are entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of grants, donations and gifts is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance.
- Trading income is recognised upon provision of the service to the customer.

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered. Irrecoverable VAT is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- Costs of commercial trading operations comprises those costs incurred by the subsidiary in the delivery of the services to the voluntary and community sector and to small businesses.
- All costs are allocated between the expenditure categories of the statement of financial activity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost of tangible fixed assets less estimated residual value over the expected useful economic lives of the assets concerned. The annual rates and bases used for this purpose are:

| | | |
|--------------------------------|---|--------------------------------|
| Long leasehold buildings | - | 2% per annum straight line |
| Office furniture and equipment | - | 15% per annum reducing balance |
| Computer equipment | - | 33% per annum straight line |
| Motor vehicles | - | 25% per annum reducing balance |

Land is not depreciated.

Investments

Investments held as fixed assets are stated at market value.

Realised and unrealised gains or losses on investments are taken directly to the fund in which the investments are held and are reflected in the statement of financial activities.

Taxation

As a Charity, the Council is not liable to either Income Tax or Corporation Tax.

For the subsidiary, corporation tax is calculated on the results for the year. Tax deferred as a result of timing differences between accounting and taxation profits is provided for in full in respect of deferred tax liabilities. Such provision or recognition is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded recoverable.

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Pension costs

The Charity operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. Contributions are accounted for by charging costs as payments accrue.

Finance leases and hire purchase contracts

Fixed assets acquired under finance leases and hire purchase contracts are capitalised at their fair value and depreciated over the asset's estimated useful economic lives. Finance charges included in the rentals are allocated over the term of each contract so as to produce a constant rate of charge on the remaining capital balance outstanding. Operating leases of other assets are accounted for by charging rentals as payments accrue.

Fund accounting

The Council has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

(i) Restricted funds

Income receivable which is earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Charity.

(ii) Designated funds

The Charity may at its discretion set aside unrestricted funds for specific purposes which would otherwise form part of the general reserve of the Charity.

(iii) Unrestricted/General funds

Funds which are expendable at the discretion of the Charity in furtherance of the general objectives of the Charity. In addition funds may be held in order to finance capital investment and working capital.

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3. INCOME AND EXPENDITURE SUMMARY OF THE GROUP

| | 2013 | Restated |
|-------------------------------------|----------------------|-----------------------|
| | £ | 2012 |
| | | £ |
| Gross income | <u>2,643,756</u> | <u>2,842,787</u> |
| Resources expenditure | | |
| Commercial trading operations | 158,644 | 138,495 |
| Cost of generating voluntary income | 6,825 | 7,268 |
| Charitable activities | 2,431,999 | 2,548,169 |
| Governance costs | <u>7,871</u> | <u>19,103</u> |
| | <u>2,590,339</u> | <u>2,713,035</u> |
| Net incoming resources | 53,417 | 129,752 |
| Realised gains on investments | <u>33,995</u> | <u>9,659</u> |
| Surplus for the year | <u><u>87,412</u></u> | <u><u>139,411</u></u> |

4. INCOMING RESOURCES FROM VOLUNTARY INCOME

| | Unrestricted | Restricted | Total Funds | Restated |
|-----------------------------------|---------------------|-------------------|--------------------|--------------------|
| | Funds | Funds | 2013 | Total Funds |
| | £ | £ | £ | 2012 |
| | | | | £ |
| <i>Voluntary income:</i> | | | | |
| Donations and grants | | | | |
| Donations | 2,041 | - | 2,041 | 1,183 |
| Department for Social Development | | | | |
| - Core activities | 640,730 | - | 640,730 | 604,343 |
| Bouncebackability | - | - | - | 1,190 |
| Cheques for Charity (Note 25) | <u>-</u> | <u>144,326</u> | <u>144,326</u> | <u>136,313</u> |
| | <u>642,771</u> | <u>144,326</u> | <u>787,097</u> | <u>743,029</u> |

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5. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

The wholly owned trading subsidiary, Sector Matters Limited is incorporated in Northern Ireland. NICVA owns the entire share capital of one share of £1. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

| | 2013 | 2012 |
|---------------------------------|---------------------|---------------------|
| | £ | £ |
| Turnover | 165,844 | 125,662 |
| Administrative expenses | (158,644) | (138,495) |
| Other operating income | <u>9</u> | <u>17,334</u> |
| Profit for the financial period | <u><u>7,209</u></u> | <u><u>4,501</u></u> |

The assets and liabilities of the subsidiary were:

| | | |
|---------------------------------------|-----------------|-----------------|
| Fixed assets | 515 | 278 |
| Current assets | 50,541 | 48,890 |
| Current liabilities | <u>(77,207)</u> | <u>(82,528)</u> |
| Total assets less current liabilities | <u>(26,151)</u> | <u>(33,360)</u> |
| Net assets/(deficit) | <u>(26,151)</u> | <u>(33,360)</u> |

6. INVESTMENT INCOME

| | Unrestricted | Restricted | Total | Total |
|--------------------------|---------------------|-------------------|--------------|---------------|
| | Funds | Funds | Funds | Funds |
| | £ | £ | 2013 | 2012 |
| | | | £ | £ |
| Investment income | | | | |
| Bank interest | <u>1,217</u> | <u>6,631</u> | <u>7,848</u> | <u>10,416</u> |

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7. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2013 £ | Restated Total Funds 2012 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------------------|
| Grants received | | | | |
| Peace III | - | 138,252 | 138,252 | 141,604 |
| Centre for Economic Empowerment | - | 69,662 | 69,662 | 68,599 |
| Atlantic Philanthropies | - | 181,989 | 181,989 | 149,486 |
| Lloyds TSB | - | - | - | 18,000 |
| | <u>-</u> | <u>389,903</u> | <u>389,903</u> | <u>377,689</u> |
| Other income | | | | |
| Big Lottery Fund | 237,549 | - | 237,549 | 199,416 |
| Collaboration NI – BCT Income | 293,199 | - | 293,199 | 232,677 |
| Social Economy Network | - | 13,242 | 13,242 | 13,519 |
| Access to Benefits | - | 76,891 | 76,891 | - |
| Training | 85,463 | - | 85,463 | 92,012 |
| Membership subscriptions | 84,580 | - | 84,580 | 81,980 |
| Sale of publications | 4,317 | - | 4,317 | 4,940 |
| Resource services | 121,734 | - | 121,734 | 142,428 |
| Management charge | - | - | - | 14,513 |
| Room hire | 38,791 | - | 38,791 | 48,584 |
| IFI Community Leadership Program | 287,377 | - | 287,377 | 693,810 |
| Will to give | - | - | - | 1,250 |
| Earned research income | 3,126 | - | 3,126 | 90 |
| | <u>1,156,136</u> | <u>90,133</u> | <u>1,246,269</u> | <u>1,525,219</u> |
| Contributions for administration | | | | |
| Charities Aid Foundation (via NCVO) | 41,623 | - | 41,623 | 38,122 |
| Cheques for Charity | 5,163 | - | 5,163 | 5,316 |
| | <u>46,786</u> | <u>-</u> | <u>46,786</u> | <u>43,438</u> |
| Total incoming resources from charitable activities | <u>1,202,922</u> | <u>480,036</u> | <u>1,682,958</u> | <u>1,946,346</u> |

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 March 2013

8. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Promotional expenditure | <u>6,825</u> | <u>-</u> | <u>6,825</u> | <u>7,268</u> |

9. CHARITABLE ACTIVITY EXPENDITURE

Charitable activities

| | | | | |
|----------------------------------|------------------|----------------|------------------|------------------|
| Salary and training | 984,647 | 139,943 | 1,124,590 | 1,130,636 |
| Pension costs | 89,382 | - | 89,382 | 48,819 |
| Recruitment | 1,675 | 2,866 | 4,541 | 4,266 |
| Travel and subsistence | 24,010 | 3,355 | 27,365 | 29,541 |
| Reference books and publications | 4,063 | - | 4,063 | 4,858 |
| Research costs | - | 45,861 | 45,861 | 9,965 |
| Consultancy | 12,198 | 3,600 | 15,798 | 27,464 |
| Training course expenses | 255,546 | 43,277 | 298,823 | 393,225 |
| Seminars and conferences | 41,354 | 26,176 | 67,530 | 91,965 |
| Printing and stationery | 35,568 | 5,642 | 41,210 | 45,859 |
| Telephone and postage | 38,340 | 3,809 | 42,149 | 37,879 |
| Cheques for Charity (Note 21) | - | 144,534 | 144,534 | 174,384 |
| Affiliation fees | 6,299 | - | 6,299 | 5,590 |
| Third party grant expenditure | - | 74,615 | 74,615 | 17,700 |
| Depreciation | 34,299 | 1,039 | 35,338 | 37,586 |
| Evaluations | <u>23,068</u> | <u>-</u> | <u>23,068</u> | <u>101,860</u> |
| | <u>1,550,449</u> | <u>494,717</u> | <u>2,045,166</u> | <u>2,161,597</u> |

Support costs

| | | | | |
|-------------------------------------|----------------|---------------|----------------|----------------|
| Salaries and training | 173,761 | 46,057 | 219,818 | 220,942 |
| Rent, insurance and service charges | 26,476 | 3,318 | 29,794 | 29,965 |
| Cleaning, heat and light | 30,598 | 5,141 | 35,739 | 32,988 |
| Repairs and maintenance | 9,002 | - | 9,002 | 27,967 |
| Equipment rental | 10,555 | - | 10,555 | 10,091 |
| Printing and stationery | 1,872 | - | 1,872 | 1,969 |
| Telephone and postage | 2,018 | - | 2,018 | 1,862 |
| General expenses | 4,725 | - | 4,725 | 6,249 |
| Bank charges | 582 | - | 582 | 1,516 |
| Depreciation | 22,698 | 27,438 | 50,136 | 50,947 |
| Bad debts provision | 3,225 | - | 3,225 | 750 |
| Hire purchase interest | 1,156 | - | 1,156 | 1,326 |
| Loss on disposal of fixed assets | <u>3,211</u> | <u>-</u> | <u>3,211</u> | <u>-</u> |
| | <u>289,879</u> | <u>81,954</u> | <u>371,833</u> | <u>386,572</u> |

| | | | | |
|------------------------------------|------------------|----------------|------------------|------------------|
| Total charitable activities | <u>1,840,328</u> | <u>576,671</u> | <u>2,416,999</u> | <u>2,548,169</u> |
|------------------------------------|------------------|----------------|------------------|------------------|

10. GOVERNANCE COSTS

| | | | | |
|------------------------|--------------|----------|--------------|---------------|
| Legal fees | 731 | - | 731 | 12,342 |
| Auditor's remuneration | <u>7,140</u> | <u>-</u> | <u>7,140</u> | <u>6,761</u> |
| | <u>7,871</u> | <u>-</u> | <u>7,871</u> | <u>19,103</u> |

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11. NET INCOMING RESOURCES

| | | |
|---|--------------|-------------|
| Net incoming resources is after charging: | 2013 | 2012 |
| | £ | £ |
| Depreciation - owned assets | 83,275 | 84,340 |
| - trading subsidiary | 241 | 147 |
| - assets held under hire purchase contracts | 2,199 | 4,193 |
| Auditor's remuneration | | |
| - audit | 6,240 | 4,500 |
| - audit of subsidiary | 1,150 | 1,000 |
| - other taxation services | 1,300 | 3,911 |
| Hire purchase interest | 1,156 | 1,326 |
| Operating lease – equipment | 10,555 | 10,091 |
| Loss on disposal of Fixed Assets | <u>3,211</u> | <u>-</u> |

12. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year. During the year, travel expenses totalling £1,588 (2012 - £913) were reimbursed to three directors.

13. EMPLOYEE INFORMATION

The average weekly number of persons employed by the group during the year was 47 (2012 - 48) and by the charitable company during the year was 44 (2012 – 45).

| | | |
|--|------------------|------------------|
| | 2013 | 2012 |
| | £ | £ |
| Staff costs (group) | | |
| Wages and salaries | 1,269,196 | 1,269,562 |
| Society Security costs | 124,775 | 127,833 |
| Pension costs | <u>127,606</u> | <u>89,723</u> |
| | 1,521,577 | 1,487,118 |
| Training allowance | <u>17,888</u> | <u>19,065</u> |
| | <u>1,539,465</u> | <u>1,506,183</u> |
| Staff costs (charitable company): | | |
| Wages and salaries | 1,176,922 | 1,177,341 |
| Social security costs | 115,151 | 117,977 |
| Other pension costs | <u>123,828</u> | <u>86,014</u> |
| | 1,415,902 | 1,381,332 |
| Training allowance | <u>17,888</u> | <u>19,065</u> |
| | <u>1,433,790</u> | <u>1,400,397</u> |

The remuneration of one employee fell within the band £70,000 to £80,000 (2012 – one employee within the band £80,000 to £90,000). The company made contributions of £3,525 to a defined benefit pension scheme on behalf of this employee during the year. All other employees earned below £60,000.

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14. TANGIBLE FIXED ASSETS

Group

| | Land and buildings £ | Office Furniture & Equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|-------------------------|----------------------------|---|----------------------------|------------------------|-------------------------|
| Cost: | | | | | |
| At 1 April 2012 | 1,937,410 | 201,382 | 214,022 | 25,450 | 2,378,264 |
| Additions | - | 1,153 | 17,438 | 26,800 | 45,391 |
| Disposals | - | (8,058) | (32,800) | (25,450) | (66,308) |
| At 31 March 2013 | <u>1,937,410</u> | <u>194,477</u> | <u>198,660</u> | <u>26,800</u> | <u>2,357,347</u> |
| Depreciation: | | | | | |
| At 1 April 2012 | 428,720 | 143,179 | 154,720 | 11,213 | 737,832 |
| Charge for the year | 37,407 | 8,321 | 35,543 | 4,444 | 88,680 |
| Disposals | - | (6,739) | (32,800) | (13,458) | - |
| At 31 March 2013 | <u>466,127</u> | <u>144,761</u> | <u>157,463</u> | <u>2,199</u> | <u>770,550</u> |
| Net book value: | | | | | |
| At 31 March 2013 | <u>1,471,283</u> | <u>49,716</u> | <u>41,197</u> | <u>24,601</u> | <u>1,586,797</u> |
| At 31 March 2012 | <u>1,508,690</u> | <u>58,203</u> | <u>59,302</u> | <u>14,237</u> | <u>1,640,432</u> |

Charitable Company

| | Land & Buildings £ | Office Furniture & Equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|-------------------------|-----------------------------|---|----------------------------|------------------------|-------------------------|
| Cost: | | | | | |
| At 1 April 2012 | 1,937,410 | 201,144 | 213,688 | 25,450 | 2,377,692 |
| Additions | - | 1,153 | 16,960 | 26,800 | 44,913 |
| Disposals | - | (8,058) | (32,800) | (25,450) | (66,308) |
| At 31 March 2013 | <u>1,937,410</u> | <u>194,239</u> | <u>197,848</u> | <u>26,800</u> | <u>2,356,297</u> |
| Depreciation: | | | | | |
| At 1 April 2012 | 428,720 | 143,107 | 154,498 | 11,213 | 737,538 |
| Charge for the year | 37,407 | 8,285 | 35,338 | 4,444 | 85,474 |
| Disposals | - | (6,739) | (32,800) | (13,458) | (52,997) |
| At 31 March 2013 | <u>466,127</u> | <u>144,653</u> | <u>157,036</u> | <u>2,199</u> | <u>770,015</u> |
| Net book value: | | | | | |
| At 31 March 2013 | <u>1,471,283</u> | <u>49,586</u> | <u>40,812</u> | <u>24,601</u> | <u>1,586,282</u> |
| At 31 March 2012 | <u>1,508,690</u> | <u>58,037</u> | <u>59,190</u> | <u>14,237</u> | <u>1,640,154</u> |

Group and Charitable Company

The balance sheet value of fixed assets includes £24,601 (2012 - £14,237) in respect of assets held under hire purchase contracts. The depreciation charged during the year in respect of these assets was £2,199 (2012 - £4,193).

Included in land and buildings is land costing £67,051 (2012 - £67,051) which is not depreciated.

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| | | |
|--|----------------|------------------|
| 15. FIXED ASSET INVESTMENTS | 2013 | 2012 |
| | £ | £ |
| <u>Listed Investments</u> | | |
| Market value at 1 April 2012 | 601,958 | 626,367 |
| Additions at cost | 530,000 | 532,000 |
| Disposals | (532,319) | (536,996) |
| Net gain/(loss) on revaluation | 72,246 | (29,072) |
| Net gain/(loss) on realisation | <u>33,995</u> | <u>9,659</u> |
| Market value at 31 March 2013 | <u>705,880</u> | <u>601,958</u> |
| The listed investments include the following: | | |
| Barclays Wealth 6 year Protected World BSKT | 115,578 | 103,635 |
| Three year gilt warrant | 228,787 | 498,323 |
| Four year gilt warrant | <u>361,515</u> | <u>-</u> |
| Investment in subsidiary (charitable company) | | |
| The Charity holds one share of £1 in its wholly owned trading subsidiary company, Sector Matters Limited which is incorporated in Northern Ireland. The activities and results of this company are summarised in Note 5. | | |
| 16. DEBTORS | 2013 | 2012 |
| | £ | £ |
| <u>Group</u> | | |
| Other debtors | 332,747 | 490,118 |
| Prepayments and accrued income | <u>315,225</u> | <u>511,059</u> |
| | <u>647,972</u> | <u>1,001,177</u> |
| <u>Charitable Company</u> | | |
| Amounts due from group undertakings | 40,000 | 55,000 |
| Other debtors | 323,673 | 399,693 |
| Prepayments and accrued income | <u>315,225</u> | <u>588,684</u> |
| | <u>678,898</u> | <u>1,043,377</u> |
| 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| <u>Group</u> | | |
| Trade creditors | 128,242 | 122,719 |
| Hire purchase creditor (Note 19) | 6,222 | 4,434 |
| Accruals and deferred income | 217,053 | 373,254 |
| Funding payable | 29,075 | 11,191 |
| VAT liability | 8,713 | 10,734 |
| PAYE/NIC liability | <u>36,951</u> | <u>37,024</u> |
| | <u>426,256</u> | <u>559,356</u> |

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONT'D)

| | 2013 | 2012 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| <u>Charitable Company</u> | | |
| Trade creditors | 126,350 | 123,098 |
| Hire purchase creditor (Note 19) | 6,222 | 4,434 |
| Accruals and deferred income | 215,552 | 369,604 |
| Funding payable | 29,075 | 11,191 |
| PAYE/NIC liability | <u>34,112</u> | <u>34,348</u> |
| | <u>411,311</u> | <u>542,675</u> |

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charitable Company

| | | |
|----------------------------------|---------------|--------------|
| Hire purchase creditor (Note 19) | <u>18,473</u> | <u>7,947</u> |
|----------------------------------|---------------|--------------|

19. BORROWINGS

Group and Charitable Company

Hire purchase agreements

| | | |
|---------------------|---------------|---------------|
| Due within one year | 6,222 | 4,434 |
| Due in 1-2 years | 6,222 | 4,433 |
| Due in 2-5 years | <u>12,251</u> | <u>3,514</u> |
| | <u>24,695</u> | <u>12,381</u> |

Hire purchase liabilities are secured on the assets to which they relate.

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20. PENSION AND SIMILAR OBLIGATIONS

The Charity participates in the Northern Ireland Charities Pension Scheme ('the Scheme'), which is a funded multi-employer defined benefit scheme. The Scheme is not contracted-out of the State scheme.

The Northern Ireland Charities Pension Scheme closed to future accrual on 31 March 2009. There is currently no intention to wind-up the Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Northern Ireland Council for Voluntary Action paid contributions of £89,382 to cover the deficit payments and Scheme management costs.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total Scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal completed valuation of the Scheme was performed as at 30 September 2010 by a professionally qualified actuary using the 'projected unit credit' method. The market value of the Scheme's assets at the valuation date was £12.4 million. The valuation revealed a shortfall of assets compared to liabilities of £8.4 million.

The financial assumptions underlying the valuation as at 30 September 2010 were as follows:

| | % p.a. |
|--------------------------------|---------------|
| Rate of return pre retirement | 5.6 |
| Rate of return post retirement | 4.3 |
| Rate of salary increases | 4.5 |
| Rate of pension increases | 2.6 |
| Rate of price inflation | 3.0 |

Following consideration of the results of the actuarial valuation it was agreed that, with effect from 1 April 2012, employers would contribute a fixed annual payment to meet the deficit contributions and scheme management costs.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2035.

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20. PENSION AND SIMILAR OBLIGATIONS (Cont'd)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2012. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £13.6 million but also indicated an increase in the shortfall of assets compared to liabilities to approximately £15.2 million, equivalent to a past service funding level of 47%.

The next formal valuation of the Scheme is due as at 30 September 2013. The results of this valuation will be reported to employers when it is completed.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

NICVA has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Northern Ireland Charities Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for the Charity was £5,703,275.

NICVA believes that as a responsible employer it should provide the opportunity of a pension scheme for all staff, but must balance this against ensuring that the cost of providing such a scheme does not put a strain on its future viability. Following the closure of the Final Salary Scheme the NICVA Executive Committee confirmed the selection of the Pensions Trust as the provider of the Flexible Retirement Plan (defined contribution scheme) at a contribution rate of 5% per employee. Staff are required to make a minimum payment of 5% to this scheme on joining.

21. LIABILITY OF MEMBERS

The Charity is a company incorporated under guarantee and does not have share capital. The liability of each member is limited to an amount not exceeding fifty pence.

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 March 2013

22. RESERVES/RECONCILIATION AND ANALYSIS OF MOVEMENTS ON UNRESTRICTED FUNDS

Group

| | Premises reserve £ | Total designated fund £ | Accumulated General fund £ | Total Unrestricted funds £ |
|--|-----------------------------------|--|---|---|
| Income | - | - | 2,012,763 | 2,012,763 |
| Net investment gains | - | - | 106,241 | 106,241 |
| Expenditure | (4,233) | (4,233) | (2,009,435) | (2,013,668) |
| Transfer between funds | <u>-</u> | <u>-</u> | <u>20,750</u> | <u>20,750</u> |
| Transfer from statement of financial activities | (4,233) | (4,233) | 130,319 | 126,086 |
| Opening value of funds (as originally stated) | 198,099 | 198,099 | 1,919,744 | 2,117,843 |
| Prior year adjustment | <u>-</u> | <u>-</u> | <u>77,625</u> | <u>77,625</u> |
| Opening value of funds (as restated) | <u>198,099</u> | <u>198,099</u> | <u>1,997,369</u> | <u>2,195,468</u> |
| Closing value of funds | <u>193,866</u> | <u>193,866</u> | <u>2,127,688</u> | <u>2,321,554</u> |

ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

| | | | | |
|-------------------------------|----------------|----------------|------------------|------------------|
| Fixed assets | 158,743 | 158,743 | 1,111,344 | 1,270,087 |
| Liquid resources | 35,123 | 35,123 | 892,849 | 927,972 |
| Debtors | - | - | 568,224 | 568,224 |
| Liabilities | <u>-</u> | <u>-</u> | <u>(444,729)</u> | <u>(444,729)</u> |
| Closing value of funds | <u>193,866</u> | <u>193,866</u> | <u>2,127,688</u> | <u>2,321,554</u> |

See Note 24 for explanatory notes to the reserves.

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
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22. RESERVES/RECONCILIATION AND ANALYSIS OF MOVEMENTS ON UNRESTRICTED FUNDS

Charitable Company

| | Premises reserve £ | Total designated fund £ | Accumulated General fund £ | Total Unrestricted funds £ |
|--|-----------------------------------|--|---|---|
| Income | - | - | 1,846,910 | 1,846,910 |
| Net investment gains | - | - | 106,241 | 106,241 |
| Expenditure | (4,233) | (4,233) | (1,865,791) | (1,870,024) |
| Transfer between funds | <u>-</u> | <u>-</u> | <u>20,750</u> | <u>20,750</u> |
| Transfer from statement of financial activities | (4,233) | (4,233) | 108,110 | 103,877 |
| Opening value of funds (as originally stated) | 198,099 | 198,099 | 1,953,105 | 2,151,204 |
| Prior year adjustment | <u>-</u> | <u>-</u> | <u>77,625</u> | <u>77,625</u> |
| Opening value of funds (as restated) | <u>198,099</u> | <u>198,099</u> | <u>2,030,730</u> | <u>2,228,829</u> |
| Closing value of funds | <u>193,866</u> | <u>193,866</u> | <u>2,138,840</u> | <u>2,332,706</u> |

ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

| | | | | |
|-------------------------------|----------------|----------------|------------------|------------------|
| Fixed assets | 158,743 | 158,743 | 1,110,830 | 1,269,753 |
| Liquid resources | 35,123 | 35,123 | 858,644 | 893,767 |
| Debtors | - | - | 599,150 | 599,150 |
| Liabilities | <u>-</u> | <u>-</u> | <u>(429,784)</u> | <u>(429,784)</u> |
| Closing value of funds | <u>193,866</u> | <u>193,866</u> | <u>2,138,840</u> | <u>2,332,706</u> |

See Note 24 for explanatory notes to the reserves.

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 March 2013

23. (i) RESERVES / RECONCILIATION AND ANALYSIS OF MOVEMENTS ON RESTRICTED FUNDS

GROUP AND CHARITABLE COMPANY

| | Atlantic Philanthropies (Property) £ | BRO (Property) £ | Big Lottery (Property) £ | DSD Sundry Grants £ | CFC Client Funds £ | Atlantic Philanthropies £ | Peace III Vital Links £ | Centre for Economic Empowerment £ | Social Economy Network £ | Access to Benefits £ | Total Restricted Funds £ |
|-------------------------------|---|------------------------|-----------------------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|--|-----------------------------------|----------------------------|-----------------------------------|
| Income | - | - | - | - | 150,957 | 181,989 | 138,252 | 69,662 | 13,242 | 76,891 | 630,993 |
| Expenditure | (9,200) | (6,849) | (10,560) | (783) | (144,534) | (117,810) | (141,411) | (62,622) | (22,761) | (60,141) | (576,671) |
| Transfer between Funds | - | - | - | - | - | - | - | - | (4,000) | (16,750) | (20,750) |
| Transfer from SOFA | (9,200) | (6,849) | (10,560) | (783) | 6,423 | 64,179 | (3,159) | 7,040 | (13,519) | - | 33,572 |
| Opening value of funds | 354,200 | 263,698 | 406,560 | 25,146 | 232,184 | 27,739 | 3,720 | 10,794 | 13,519 | - | 1,337,560 |
| Closing value of funds | 345,000 | 256,849 | 396,000 | 24,363 | 238,607 | 91,918 | 561 | 17,834 | - | - | 1,371,132 |

19. (ii) ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

| | Atlantic Philanthropies (Property) £ | Belfast Regeneration Office (Property) £ | Big Lottery (Property) £ | DSD Sundry Grants £ | CFC Client Funds £ | Atlantic Philanthropies New £ | Peace III Vital Links £ | Henry Smith £ | Social Economy Network £ | Access 2 Benefits £ | Total Restricted Funds £ |
|-------------------------------|---|--|-----------------------------------|------------------------------|-----------------------------|--|----------------------------------|---------------------|-----------------------------------|---------------------------|-----------------------------------|
| Fixed assets | 345,000 | 256,849 | 396,000 | 24,363 | - | - | 378 | - | - | - | 1,022,590 |
| Current assets | | | | | | | | | | | |
| - Liquid | - | - | - | - | 230,271 | 91,918 | (71,229) | 17,834 | - | - | 268,794 |
| - Debtors | - | - | - | - | 8,336 | - | 71,412 | - | - | - | 79,748 |
| Current liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Closing value of funds | 345,000 | 256,849 | 396,000 | 24,363 | 238,607 | 91,918 | 562 | 17,834 | - | - | 1,371,132 |

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 March 2013

24. EXPLANATORY NOTES TO NICVA RESERVE FUNDS

(i) Unrestricted funds (Note 22)

(a) Premises Reserve

This is a designated fund NICVA established to facilitate the construction and maintenance of their premises at Duncairn Gardens, Belfast.

The purpose of the fund is to ensure resources are retained for the upkeep of the conference facilities and offices to include general repair work, building maintenance and decorating, as and when required.

(b) Accumulated General Fund

This fund is the result of NICVA's strategic objective to establish reserves which would allow NICVA to operate for 12 months without other sources of income.

(ii) Restricted funds (Note 23)

(a) Atlantic Philanthropies – Property

A restricted donation to assist with the cost of building NICVA's regional community resource centre at Duncairn Gardens, Belfast.

(b) Belfast Regeneration Office – Making Belfast Work

A restricted grant to assist with the cost of building NICVA's regional community resource centre at Duncairn Gardens, Belfast.

(c) Big Lottery - Property

A restricted grant to assist with the cost of building NICVA's regional community resource centre at Duncairn Gardens, Belfast.

(d) DSD – Capital Grants

A fund for year end additional grants from Department for Social Development for specific projects.

(e) Cheques For Charity Client Funds

A fund to receive, claim gift aid and hold monies on behalf of donors. NICVA disburses the monies according to the donors instructions.

(f) Atlantic Philanthropies

A fund to support efforts that contribute to analysing, critiquing, monitoring and influencing public expenditure decisions in Northern Ireland.

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
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24. EXPLANATORY NOTES TO NICVA RESERVE FUNDS (Cont'd)

(ii) Restricted funds (note 19) (Cont'd)

(g) Peace III - Vital Links

The Vital Links project is part-financed by the European Union's European Regional Development Fund through the EU Programme for Peace and Reconciliation (PEACE III) managed by the Special EU Programmes Body. Funded for three years, the aim of the Vital Links project is to increase the interaction and understanding of the key institutions, the voluntary and community sector and foster and promote positive engagement. Vital Links delivers a programme of free training, seminars, conferences and publications.

(h) Will to Give

The Will to Give campaign is a collaborative project facilitated by NICVA to promote legacy fundraising in the voluntary and community sector. The aim of the campaign is to increase the giving of gifts to charity from wills. The funds are received from members of the campaign and used in pursuit of the Will to Give campaign objectives.

(i) Centre for Economic Empowerment funded by Northern Ireland Development Fund (The Henry Smith Charity and the Esmee Fairbairn Foundation)

NICVA received a grant under the Northern Ireland Development Fund to establish the Centre for Economic Empowerment. The Development Fund is managed by The Henry Smith Charity and the Esmee Fairbairn Foundation.

The Centre for Economic Empowerment is a think tank, observatory and skills development project. It aims to influence resource allocation and the formation of budgets at government level, to monitor trends in economic development/policy and assess their impacts on poverty, deprivation, equality and creating a shared future and to increase the skills and knowledge of economic policy and budgeting in the community/voluntary sector.

(j) Social Economy Network (Northern Ireland) Limited

During the prior year, NICVA was requested by the directors of the Social Economy Network to act as custodian of the net assets resulting from the wind-up of the above organisation's activities. The funds are to be held for a maximum period of one year until a sub-committee with delegated powers is set up.

(k) Access to Benefits

During the year, NICVA was requested by the directors of Access to Benefits to act as custodian of the net assets resulting from the wind-up of the above organisation's activities. The funds are to be held for a maximum period of one year until a sub-committee with delegated powers is set up.

25. CHEQUES FOR CHARITY - CLIENT FUNDS

NICVA administers the Cheques for Charity scheme, whereby they receive, claim gift aid and hold monies on behalf of donors and disburse according to their instructions. During the year NICVA received £144,326 (2012 - £136,313) of Cheques for Charity donations, with £144,534 (2012 - £174,384) being dispersed to charitable organisations as instructed by the donors.

26. CONDUIT FUNDING

NICVA is responsible for receiving and distributing funds on behalf of the Department for Social Development. £175,048 was received and distributed during the year and no balance was held in relation to these monies at 31 March 2013.

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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
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27. CONTINGENCIES

A portion of grants received may become repayable if the Charity fails to comply with the terms of the letter of offer.

The Charity has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Northern Ireland Charities Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for NICVA was £5,703,275.

An employer debt would only fall due in the event of NICVA ceasing to participate in the Scheme or the Scheme winding up at a time when it is not fully funded on a buy-out basis. As neither of these scenarios are foreseen to occur in the near future this debt has not been provided for in these financial statements, however, the directors consider it appropriate to disclose same as a contingent liability.

28. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been carried out in respect of unrestricted income received in April 2012. This income should have been recognised as income in the financial statements for the year ended 31 March 2012 but in error was not. The effect of the prior year adjustment has been to increase prior year incoming resources, accrued income and unrestricted funds held by the Charity by £77,625. Opening unrestricted funds at 1 April 2012 have therefore similarly been adjusted to reflect this increase in funds.

29. FINANCIAL PERFORMANCE OF THE CHARITY

The group statement of financial activities includes the results of the charity's wholly owned subsidiary, Sector Matters Limited, which provides business services to the voluntary and community sector and to small businesses.

The summary financial performance of the Charity alone is:

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Incoming Resources | <u>2,477,903</u> | <u>2,699,791</u> |
| Resources expenditure | | |
| Cost of generating voluntary income | 6,825 | 7,268 |
| Charitable activities | 2,431,999 | 2,548,169 |
| Governance costs | <u>7,781</u> | <u>19,103</u> |
| | <u>2,446,695</u> | <u>2,574,540</u> |
| Net incoming resources | 31,208 | 125,251 |
| Gains/(losses) on investment | <u>106,241</u> | <u>(19,413)</u> |
| Surplus for the year | 137,449 | 105,838 |
| Total funds brought forward (as originally stated) | 3,488,764 | 3,460,551 |
| Prior year adjustment | <u>77,625</u> | <u>-</u> |
| Total funds brought forward (as restated) | 3,566,389 | 3,460,551 |
| Total funds carried forward | <u>3,703,838</u> | <u>3,566,389</u> |
| Represented by: | | |
| General funds | 2,138,840 | 2,030,730 |
| Designated funds | 193,866 | 198,099 |
| Restricted funds | <u>1,371,132</u> | <u>1,337,560</u> |
| | <u>3,703,838</u> | <u>3,566,389</u> |