



TOGETHER  
FOR LIVERPOOL  
FOR GOOD

# **LIVERPOOL CHARITY AND VOLUNTARY SERVICES**

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## **Trustees' Report and Financial Statements for the year ended 31 March 2020**

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Company Registration No. : 181759

Charity Registration No.: 223485

**Liverpool Charity and Voluntary Services  
Trustees' Report and Accounts for the year ended 31  
March 2020**

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The trustees present their report and the audited financial statements of the charity and its subsidiaries for the year ended 31<sup>st</sup> March 2020. The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland – FRS 102 (effective 1 January 2015) and the charity's governing document.

## **THE CHARITY**

Liverpool Charity and Voluntary Services (LCVS) is a company limited by guarantee without share capital governed by its memorandum and articles of association dated 13 April 1922, last amended 25 April 2006. It is a registered charity number 223485 and company number 181759.

LCVS is a charitable trust corporation, administering funds and trusts on behalf of donors and charities from across the UK. It is the umbrella organisation for the non-profit organisations in Liverpool providing specialist business support and community engagement. As an affiliate of United Way Worldwide, LCVS promotes partnerships with businesses, non-profits and public bodies to meet community needs.

## **OBJECTIVES AND MISSION**

### **Charitable Objects**

1. To promote, assist and encourage charitable endeavour in Liverpool and its vicinity and beyond, and the effective and economical management of charitable funds, and
2. To promote the voluntary sector for the benefit of the public.

### **Mission Statement**

We work to improve the wellbeing of individuals and communities in Liverpool.

We do this through supporting, encouraging and developing **voluntary action** and **charitable giving** and bringing people, organisations and resources **together**.

We believe that everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income to support a family through retirement, and good health.

That's why we want all of our work to support or be **focused on these four key pillars for a good life and improved wellbeing**. All aim to address poverty of:

- Education – helping children and young people achieve their potential
- Income – Reducing inequality and supporting Financial Stability and Independence, and initiatives which tackle or reduce poverty
- Health – Improving people's health
- Arts & Culture – Promoting the benefits of arts and cultural activities in terms of health, education and community cohesion

We want to **create long-lasting change by addressing the underlying causes of these problems**. We believe that supporting, encouraging and developing **voluntary action and charitable giving** and bringing people, organisations and resources **together** will help us achieve this.

## **STRUCTURE, GOVERNANCE & MANAGEMENT**

The Board of Trustees meets bi-monthly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

The Board of Trustees has the following sub-committees:

The **Governance Committee** currently overseeing the implementation of the Charity Governance Code and taking the lead in monitoring risk management and other compliance matters.

The **Finance, Audit and Risk Committee** scrutinises financial performance against set budgets and presents this to the board, identifies methods to enhance financial performance and helps develop the longer term financial model for the organisation. It also ensures that there is a framework for accountability, for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management, and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice.

The **Investment Committee** implements the investment strategy set by the board and monitors the performance of the investment manager.

The **Grants Committee** decides the allocation of grants from Trusts where it is sole Trustee or where it has delegated discretion. It also makes recommendations to a small number of Trusts that have their own grant making arrangements.

LCVS has a trustee recruitment policy that aims to maintain a diverse mix of skills and experience that supports the governance and management of the charity. There is a balance between representation from 'communities of interest' and individuals with business acumen. The induction procedure for new trustees includes distribution of background information, access to all records and attendance at an organisational induction session. Following this, new trustees formally sign a declaration of willingness to serve.

The Chief Executive (Co-Chief Executives to 31<sup>st</sup> August 2020) is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive (Co-Chief Executives) has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

LCVS's subsidiaries, UW Giving and United Trusts contribute to the services available to donors (Note 2) and the Settlers' Trust Fund provides the opportunity for pooled investment of funds over which LCVS has control (Note 26). In delivering its programmes LCVS works alongside other voluntary and public sector partners.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

## **ACTIVITIES, ACHIEVEMENTS, IMPACT & FUTURE PLANS**

The Trustees, as company directors, present this report on activities, achievements and impact during 2019/20. Within each section we also comment on our future plans.

LCVS discharges its mission in a variety of ways, and these are grouped as follows:

1. Programmes
2. Services to charities and voluntary organisations
3. Services to donors
4. Enablers
5. Solid foundations

### **1. Programmes**

Whether it is sharing best practice and resources or delivering community programmes, we believe working together is better for everyone.

Bringing charities, businesses, organisations and individuals together to tackle specific problems or issues is a dynamic and cost-effective way of working, tapping into the skills, energy and expertise that exists within communities.

By harnessing this collective power and passion, we can improve the lives of people, community by community. The best way to develop effective local policies is through working in partnership with a range of stakeholders to ensure any policy is relevant to those it is looking to support.

That's where LCVS comes in.

We bring together all relevant stakeholders, ensuring the provision of information, support and guidance to policymakers. LCVS can provide a link between policymakers and the wider sector so there is open and honest dialogue, enabling local knowledge and understanding of need to fully inform any new policy development.

In 2019/20 we worked in a number of key areas:

**Positive About Play** - engages with thousands of families across Liverpool during school holidays when many struggle for support. Once again we have managed to secure funding from LCC and the Mayor and other donors to run our Positive About Play programme. This year we have also been able to bring in extra resources for the new elements to the programme :

Food Hub (based at MPAC),

Children's Centres to support additional food/play activities, strengthening the links between public sector families work and playschemes,

International Play Days (Princes Park and Rice Lane),

Play Streets - to trial the play streets model in a number of wards.

In addition we ran a consultation with children, families and other stakeholders to support the development of the Play Strategy.

**Grants** - LCVS has extensive experience in the management of multiple grants programmes to support voluntary organisations and communities in Liverpool and beyond. We offer a friendly, supportive service that aims to enable organisations applying for funds to maximise their chances of success.

As well as our own Community Impact Fund grants programme, LCVS administers funds on behalf of other trusts and organisations including The Skelton Bounty and the Rushworth Trust.

Applications are assessed by the team and during the assessment process we are able to advise and guide applicants not just on their grant application but on other aspects of their organisation; for example we may signpost a group to our Capacity Building Team to get additional support around their policies and procedures if the Grants Team feel that this is an area of weakness.

**My Clubmoor** – LCVS is now the Locally Trusted Organisation (LTO) for the the MyClubMoor project (funded by the Big Local Trust), having previously only been directly involved in their grants programme. Big Local is a long-term innovative programme that aims to achieve lasting change in 150 areas in England. It provides a mixture of funding, finance and support. Each area is awarded £1Million to spend over ten years on community development.

**Better Old Swan (BOS)** is an NHS research project. The BOS project is led by local residents and delivered in conjunction with The University of Lancaster and LCVS.

The BOS project works locally with the Joseph Lappin Centre, where we hold regular resident meetings and events. We also meet at other locations including All Saints Church and along the High Street, which is an important part of Old Swan life, helping to involve local businesses in plans and developments.

**Everyday Changes Programme** - brings together the grants made by LCVS and partner organisations that are designed to help those people living in poverty and facing hardship on a day to day basis. This includes the Fred Freeman People for People Fund, Aid in Sickness Grants and the William Edmonds fund. This programme provides small grants, that are designed to have immediate impact but make a lasting difference to people's everyday lives.

**Healthwatch Liverpool** - Healthwatch exists to make health and care services work for the people who need them; and to help local people understand their options, be able to make real choices and to be listened to about their experiences, needs and preferences.

LCVS has been delivering the Healthwatch function in Liverpool since 2013, latterly in partnership with Laridae CIC with a team across both organisations, co-located and working together under one management structure. LCVS's direct involvement as a partner ceased at 31 March 2020.

### **Planning Ahead**

At the end of the financial year the country as a whole was affected by the COVID-19 pandemic which impacted on the economy as a whole, businesses, voluntary organisations and individuals. As well as the immediate effect on providing direct support to shielded and vulnerable individuals, both directly and through other front-line voluntary organisations, it will undoubtedly bring about new ways of working and a changing landscape in the role of voluntary sector organisations.

Finding ways to meet the ever-increasing demands for services, while at the same time meeting future challenges, will be key, and this is less about survival for survival's sake, but more about the need to ensure that the most vulnerable in society have access to the support they need on a day to day basis.

## **2. Services to charities and voluntary organisations**

2019/20 was another extremely busy year for the LCVS capacity building and community accountancy teams.

We have been able to expand the range of support available to maximise the effectiveness and sustainability of local community organisations across a range of critical issues such as fundraising, good governance, project delivery and impact measurement.

We continued to provide fundraising support which, in light of the impact of COVID-19 pandemic became even more critical offering a lifeline to the sector as a whole.

Our training programme has once again proven extremely popular, covering subjects including legal compliance, fundraising, finance skills, governance, safeguarding, and working with service users.

As part of National Volunteers Week LCVS was approached by LCC to deliver a 'Volunteer Show' at St Georges Hall. The aim of the event was to showcase the wide range of the voluntary and community sector's work, raise awareness about various services and recruit volunteers, assist voluntary organisations to become more resilient and increase their capacity, and demonstrate excellent partnership working. On the day 60 organisations attended the event, with 250 visitors. Radio Merseyside also attended and spoke to a number of people. There were 25,916 views of the event on twitter and 2,064 Facebook views.

### **3. Services to donors**

We have a range of services to make it easy for individuals, companies and our public sector partners to give or invest in programmes and activities which improve the wellbeing of individuals and communities in Liverpool. We encourage donors to align giving with our priority areas, because we believe that is where they can make the maximum difference – health, income stability, education and arts & culture.

In addition to the LCVS Community Impact Fund grants awarded we also made grants on behalf of the Skelton Bounty, which funds organisations across (the old boundaries) of Lancashire.

### **4. Enablers**

There are a range of activities which are vital to support our aims: for example providing networking opportunities and bringing people together to address problems; developing an evidence and research base and providing a policy function so we know where to put our efforts and we can encourage others.

Key areas of work during the year:

**Families Team** - We have continued to work closely with the Families Team.

**Health and Well Being Network** - This long-established Network provides a vehicle for VCF organisations working in the field of health and well-being to come together. The network has continued to develop good links with the Department for Work and



Pensions and this has enabled us to influence the way in which the department works with claimants.

**Violence Reduction Unit (VRU)** – Established by Merseyside Police, we negotiated a £500k programme of interventions across the city region working with our CVS colleagues in Sefton, Knowsley, Wirral and St Helens. LCVS lead on this and each CVS set up a Community of Practice within their target areas, with interventions with young people delivered by local VCF groups.

**Reducing Reoffending System Change Steering Group** – We worked with the Governor of Walton Prison and other public sector stakeholders. The aim of the group was to think at scale to change the system and address the failures.

**Representation** – LCVS, as the support and development body for the voluntary, community and faith sector in Liverpool, is the leading advocate for voluntary action and the work of our voluntary sector colleagues. In this role we sit on a number of strategic groups and boards where we are able to make the case for greater involvement of the voluntary sector across a range of issues. These include;

- The Health and Well-Being Board
- Citywide Operational group
- Inclusive Cities Task Force
- Families Strategy group
- Citysafe Board
- Poverty Task Group Reducing Reoffending System Change Strategy Group
- Strategic Workforce Partnership Group
- VS6
- LCR Culture and Creative Strategy Group
- Violence Reduction Unit Steering Group
- Reducing Reoffending System Change Steering Group
- City Plan Working Group

## **5. Solid foundations**

Our biggest asset is, and has been since the organisation was founded back in 1909, the staff, trustees and volunteers who have worked so hard to make LCVS the organisation it is today. We believe that as the current custodians of the organisation it is up to us to maintain the culture of support and compassion that has stood us in such good stead over the years. We believe that we have a responsibility to ensure that our staff have the best possible working conditions and that we have a positive and consistent approach to employee wellbeing throughout the organisation.

## **Covid-19**

At the beginning of 2020 the effects of the Covid-19 pandemic began to be seen in the U.K and by March 23<sup>rd</sup> there was a country wide lockdown. During this time, LCVS provided vital services to support the Local Authority and wider Public sector in ensuring that the most vulnerable in our community were looked after. As a result of this work, stronger relationships were developed with LCVS now playing a leadership role in The People Power Partnership. The People Power Partnership was formed as a coalition between the Council, the local voluntary and community sector, the NHS, the faith sector and housing associations to take an asset based approach with communities, place and people.

The new Liverpool City Plan recognises the need to shift power to communities giving people more influence over decisions. To enable this to happen the People Power Partnership will act to develop strong, resilient people, families and communities. LCVS will continue to work closely with our strategic partners and communities to deliver this vision.

We believe that this approach makes us stronger, more productive and more able to meet the challenges that lie ahead. We are committed to maintaining our Investors in People Status and our Workplace Wellbeing Charter status. We are a Real Living Wage Foundation employer.

## **FINANCIAL REVIEW**

During the period, the charitable group's net assets reduced in value from £7,594,478 to £7,541,903 of which unrestricted funds totalled £7,482,159 (£7,594,478: 2019). This level of reserves is considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence essential for its charitable work.

Income from charitable activities (Note 6) is augmented by donations and legacies and investment income to enable the expenditure on charitable activities as detailed in Note 8.

In many cases new activities take time to generate sufficient funds to cover their costs and, in other areas, resources have been applied to continue delivery of services in the short and medium term where external funding is no longer available. Such expenditure is monitored on a regular basis.

Total income for the period for the charitable group was £2,494,171 compared with £6,564,573 in 2019. In the previous year the accounts of UW Giving (consolidated into this figure) included through-flow of donations and distribution administered directly by Charities Aid Foundation. LCVS has no direct control over the relationship with these donors and therefore such income (and expenditure) is excluded in this year's accounts.

Expenditure totalled £2,414,144 (£5,663,006: 2019). As explained above, expenditure now excludes distributions of £3,779,228 (2019) made by UW Giving.

Prior to investment gains & losses, there was a net surplus of £80,027 (£901,567 surplus: 2019). The decrease is due mainly to a single unrestricted legacy of £750,000 in the year ended 31 March 2019.

***Reserves Policy & Investment Objective***

**Unrestricted Funds**

The **General Fund** is the accumulated reserves of LCVS (charity). These total £1,456,497 at the year end (2019 : £1,568,816). However, these include LCVS's investment in its freehold property therefore free reserves, i.e. available to be utilised in the delivery of programmes, at the year end were only £117,341 (2019 : £192,763). Free reserves may be required in full over the next three years to support the delivery and development of operations and therefore the Trustees are looking to develop opportunities to generate surpluses. The long term objective would be to build up free reserves to a minimum of £350,000 which would represent approximately 3 months' running costs.

In addition, the trustees previously designated reserves as a '**151 Dale St Fund**' being initial funds (£6,019,538 at 31<sup>st</sup> March 2019 & 31<sup>st</sup> March 2020) used to acquire the building and is fully held in fixed assets as a Programme Related Investment; it is the intention that this will be held for this purpose in the long-term.

The Trustees have the same full and unrestricted powers of investment in all respects as if they were the beneficial owners. The charity has £914,157 (2019 : £1,046,759) invested in the Settlers' Trust Fund. The Investment Objective in this regard is to maintain liquidity and the monetary value of the fund to facilitate withdrawal. Whilst the capital sum is subject to market conditions, the performance of the Settlers Trust Fund is monitored quarterly by the Investment Committee and the Trustees are satisfied that its objectives have been achieved throughout the period.

**Restricted funds** of the charitable group stood at £59,744 at the period-end (£nil: 2019). These are funds received and expended in furtherance of LCVS's own charitable objectives but as directed by external funders. The balances comprise cash held to support delivery of the programmes and are not intended to be held in the long term. Expenditure for specific projects can be scaled up or down in accordance with the funding available.

***Settlers' Trust Fund***

The charity administers a pooling scheme fund, the Settlers' Trust Fund, approved by the Charity Commission under the Charities Act 2011 as Common Investment Schemes for funds of which it is Trustee (see note 26).

***Use of assets***

The Trustees consider the value of assets to be fairly stated. The fixed assets of the charitable company and major changes therein during the period are recorded in the notes to the accounts.

***Balance sheet in light of future plans***

The Trustees consider that the balance sheet is strong enough to fulfil the short-term plans of the core activities and committed projects.

## FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

In assisting voluntary organisations, LCVS acts as Custodian Trustee of the property of several unincorporated (or previously unincorporated) Merseyside charities (see note 31). LCVS securely holds the title deeds of such properties. There are no cash funds held but should this be the case they would be held in segregated bank accounts.

Assets held as custodian trustee are not included in these accounts.

## RISK MANAGEMENT

The Board adopted a new Risk Management Strategy in July 2020 and is undertaking a detailed review of the risk assessments to align these with the new strategy.

Risks are identified together with an analysis of their impact and likelihood; the effectiveness of systems and procedures to mitigate those risks is considered and trends monitored. The overall level of risk is considered to be low-medium with only isolated activities and areas considered to be high. Below is a summary of the main areas of risk:

- **Property**

This is separately reported on since it is the single most significant asset on the balance sheet and its ability to cover its costs and generate a return is pivotal.

- **Financial**

The charity relies on the income from its investments to fund elements of operational activity. Some of these funds have been withdrawn from equities and invested in the property and therefore there is a need to replace the foregone income. Risks include maintaining occupancy at appropriate rates particularly in light of changes in market conditions and working practices arising from the impact of the COVID-19 pandemic. Many tenants are smaller organisations on short term licences and existing tenants are continuing to face funding pressures which may lead to 'downsizing' or even vacating the premises.

A fundamental risk to any charity is cashflow and the timing of receipts and payments. It is recognised that this is a particular issue for LCVS to ensure long term sustainability but currently the funds received by way of a £750,000 legacy are held in readily accessible investments and therefore can be called upon in the event of the need to support current cashflows.

- **Operational**

LCVS is facing new challenges to deliver services and support for organisations and individuals affected by the impact of the COVID-19 pandemic. This has required the organisation to adapt current working methods and work in new areas which gives rise to operational risks.

The building gives rise to many issues - both legislative and operational. Apart from legal issues of 'getting it wrong', operational approach is the key to attracting and retaining tenants. In addition to outsourcing some property management roles, maintaining the standards and expectations of tenants is time consuming. A further consideration is the need to manage the service charge such that it is attractive for current tenants but, at the same time, allowing provision for major items which will need upgrade in the longer term.

- **Investments:**

Investment Income, either directly or through grants received from other charities, has a significant impact on the financial results and sustainability of LCVS. In particular, through the Settlers' Trust Fund, LCVS is responsible for the investment of funds of other charities. There are two specific areas of risk – the risk of poor performance (whether by the markets generally or our portfolios in particular) and risk of mal-administration leading to loss of funds.

- **Covid-19**

The Covid-19 pandemic has necessitated changed methods of working, for example with a significant number of staff working from home on a regular basis for the first time. This has required a rapid review of systems which will be further reviewed with the likelihood that this will become a more permanent situation, at least in the short to medium term. The pandemic has also brought to the fore the importance of the voluntary sector and hence our teams have been actively involved in supporting the sector to rise to the new challenges. Whilst some of our traditional sources of generating funds may have been affected (e.g. temporary closure of the meeting and conference rooms, face-to-face delivery of training, etc..) funding has become available to meet the response.

The trustees are aware of the particular longer term risks of lower investment returns and the potential effect on building occupancy and are therefore reviewing forecasts and the potential to grow those areas of operation which generate additional funds.

- **Reputational Risk:**

One of LCVS's main strengths is its reputation – hard won, but very easy to tarnish. The main issues here are LCVS's direction of activity or particular approach to specific events and external communications. Also important is that as a service organisation LCVS is largely reliant on the actions of its employees in carrying out activities in a manner consistent with the organisation's missions and values.

- **Pension Fund Shortfall:**

LCVS is an employer member of a scheme of The Pensions Trust which could give rise to a liability in the event of a 'triggering' action such as withdrawal, merger or other structural change. This would not be envisaged whilst the charity remains an operational going concern.

Since 1<sup>st</sup> April 2013, LCVS has made additional contributions; however, there is no guarantee that the debt on withdrawal will decrease, either as a result of market conditions or the effects of 'last man standing'. LCVS provides for the present value of future minimum payments agreed with the trustees of the scheme. This has resulted in a liability of £158,419 (2019: £187,000).

- ***Internet / IT Security:***

There is increased reliance on IT systems both internally and also our provision to third parties (tenants). LCVS has security policies in place to protect personal details of individuals. Risk is mitigated through adoption of a Business Continuity Plan and outsourced support for our IT personnel.

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Trustees & Directors**

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association.

Members of the Board of Trustees during the year were:

<u><i>Chair</i></u>	Heather Akehurst
<u><i>Honorary Treasurer</i></u>	Michael Thomas
<u><i>Other Members</i></u>	Dorcas Akeju Duncan Brookes Jonathan Hesketh Michael James Steven Long Andrew Lovelady (Resigned 1 <sup>st</sup> December 2020) Kenneth Perry John Price Michael Salla Louise Scholes James Sloan Susan Williams

### **Other Information**

<b>Co-Chief Executives</b>	Colin Heaney, Director of Development and Programmes & Graham Wright, Director of Finance and Resources (to 31 <sup>st</sup> August 2020)
<b>Chief Executive</b>	Clare White (from 1st September 2020)
<b>Company Secretary</b>	Graham Wright

**Legal and Administrative Information (continued..)**

<b>Charity Number</b>	223485
<b>Company Number</b>	181759
<b>Principal (&amp; Registered) Office:</b>	151 Dale Street, Liverpool L2 2AH Telephone 0151 227 5177 E-mail <a href="mailto:info@lcvs.org.uk">info@lcvs.org.uk</a>
<b>Auditor:</b>	RSM UK Audit LLP, 14 <sup>th</sup> Floor, 20 Chapel Street, Liverpool, L3 9AG
<b>Bankers:</b>	HSBC, City Branch, 99 -101 Lord Street, Liverpool L2 6PG The Co-Operative Bank, 1 Balloon Street, Manchester M60 4EP
<b>Solicitors:</b>	Brabners Chaffe Street, Horton House, Exchange Flags, Liverpool L2 3YL Hill Dickinson LLP, No.1 St Paul's Square, Liverpool L3 9SJ
<b>Investment Managers:</b>	Rathbones Investment Management, Port of Liverpool Building, Pier Head, Liverpool L3 1NW Investec Wealth & Investment, 100 Old Hall Street, Liverpool L3 9AB

**Pay Policy for Senior Staff**

The Board of Trustees and the management team comprise the key management personnel of the charity. Trustees, who are directors of the charitable company, receive no remuneration. The pay of senior staff is set at market rates at the time of recruitment and reviewed annually by the trustees in line with all other staff in the organisation.

**DISCLOSURE OF INFORMATION TO AUDITOR**

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

## **AUDITOR**

RSM UK Audit LLP have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

## **SMALL COMPANY PROVISIONS**

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the board of trustees,**



**Heather Akehurst, Chair**

**Date: 9th December 2020**



# INDEPENDENT AUDITOR'S REPORT

*to the members of Liverpool Charity and Voluntary Services Group*

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## **Opinion**

We have audited the financial statements of Liverpool Charity and Voluntary Services (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31<sup>st</sup> March 2020 which comprise the Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31<sup>st</sup> March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

## **Basis for opinion**

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# INDEPENDENT AUDITOR'S REPORT

*to the members of Liverpool Charity and Voluntary Services Group*

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## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

## **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is

# INDEPENDENT AUDITOR'S REPORT

*to the members of Liverpool Charity and Voluntary Services Group*

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necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **Use of our report**

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

*RSM UK Audit LLP*

Anna Spencer-Gray (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
14<sup>th</sup> Floor, 20 Chapel Street  
Liverpool  
L3 9AG

Date 14.12.20

# **CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2020 (including Consolidated Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>INCOME FROM:</b>					
Donations and legacies	5	17,348	-	17,348	823,289
Charitable activities	6	1,365,763	1,074,669	2,440,432	5,708,723
Investment income	7	36,390	1	36,391	32,561
Total income		1,419,501	1,074,670	2,494,171	6,564,573
<b>EXPENDITURE ON:</b>					
Charitable activities	8-10	1,389,000	1,025,144	2,414,144	5,663,006
Total expenditure		1,389,000	1,025,144	2,414,144	5,663,006
<b>Net income before gains and losses</b>		<b>30,501</b>	<b>49,526</b>	<b>80,027</b>	<b>901,567</b>
Net (losses) on investments	16	(132,602)	-	(132,602)	(1,470)
<b>Net (expenditure) / income</b>		<b>(102,101)</b>	<b>49,526</b>	<b>(52,575)</b>	<b>900,097</b>
<b>Transfers between funds</b>	<b>22-23</b>	<b>(10,218)</b>	<b>10,218</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(112,319)</b>	<b>59,744</b>	<b>(52,575)</b>	<b>900,097</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward		7,594,478	-	7,594,478	6,694,381
<b>Fund balances carried forward</b>	<b>21-23</b>	<b>7,482,159</b>	<b>59,744</b>	<b>7,541,903</b>	<b>7,594,478</b>

The net (expenditure) / income for the year was derived from continuing activities. The Statement of Financial Activities includes all gains and losses in the year.

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	At 31 <sup>st</sup> March 2020 £	At 31 <sup>st</sup> March 2019 £
<b>Fixed assets</b>			
Programme Related Investments	11	7,618,783	7,537,552
Tangible fixed assets	12	1,339,156	1,376,053
Intangible fixed assets	13	12,982	5,248
		8,970,921	8,918,853
<b>Current assets</b>			
Debtors	15	731,678	809,556
Current Asset Investments	16	914,157	1,046,759
Cash at bank and in hand		1,152,821	742,380
		2,798,656	2,598,695
<b>Current liabilities</b>			
Creditors falling due within one year	17	(3,262,818)	(2,832,038)
<b>Net current liabilities</b>		(464,162)	(233,343)
<b>Total assets less current liabilities</b>		8,506,759	8,685,510
Creditors falling due after more than one year	19	(806,437)	(904,032)
Provisions for liabilities	25	(158,419)	(187,000)
<b>Net Assets</b>	21	<b>7,541,903</b>	<b>7,594,478</b>
<b>Funds:</b>			
Unrestricted funds	21,22	7,482,159	7,594,478
Restricted funds	21,23	59,744	-
<b>Total Consolidated Funds</b>		<b>7,541,903</b>	<b>7,594,478</b>

The notes on pages 22 to 47 form part of these accounts. These financial statements were approved by the trustees and authorised for issue on the 9th December 2020 and are signed on their behalf by:

*HMP Akehurst*

Heather Akehurst Chairman

Date: 9th December 2020

*Michael Thomas*

Michael Thomas Honorary Treasurer

9 DECEMBER 2020

**CHARITY BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020**

	Notes	At 31 <sup>st</sup> March 2020 £	At 31 <sup>st</sup> March 2019 £
<b>Fixed assets</b>			
Programme Related Investments	11	7,618,783	7,537,552
Tangible fixed assets	12	1,339,156	1,376,053
Intangible fixed assets	13	12,982	5,248
		<u>8,970,921</u>	<u>8,918,853</u>
<b>Current assets</b>			
Debtors	15	731,688	809,567
Current Asset Investments	16	914,157	1,046,759
Cash at bank and in hand		1,146,824	735,957
		<u>2,792,669</u>	<u>2,592,283</u>
<b>Current liabilities</b>			
Creditors falling due within one year	17	(3,262,955)	(2,831,750)
		<u>(470,286)</u>	<u>(239,467)</u>
<b>Net current liabilities</b>			
		<u>8,500,635</u>	<u>8,679,386</u>
<b>Total assets less current liabilities</b>			
Creditors falling due after more than one year	19	(806,437)	(904,032)
Provisions for liabilities	25	(158,419)	(187,000)
		<u>(964,856)</u>	<u>(1,091,032)</u>
<b>Net Assets</b>	21	<u><b>7,535,779</b></u>	<u><b>7,588,354</b></u>
<b>Funds:</b>			
<b>Unrestricted funds</b>	21,22	7,476,035	7,588,354
<b>Restricted funds</b>	21,23	59,744	-
		<u>7,535,779</u>	<u>7,588,354</u>
<b>Total Charity Funds</b>		<u><b>7,535,779</b></u>	<u><b>7,588,354</b></u>

The charity has taken advantage of the exemption permitted by s408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities and related notes. The company's result for the period was a deficit of £52,575 (2019: £900,097 surplus). The notes on pages 22 to 47 form part of these accounts. The trustees have prepared Group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the trustees and authorised for issue on the 9th December 2020 and are signed on their behalf by:

**Heather Akehurst** Chairman

**Michael Thomas** Honorary Treasurer

*Heather Akehurst*

*Michael Thomas*

Date 9th December 2020

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

	Notes	Year ended 31 <sup>st</sup> March 2020		Year ended 31 <sup>st</sup> March 2019	
		£	£	£	£
<b>Operating activities</b>					
Cash generated from operations	32		189,651		984,784
Interest paid		(21,323)		(22,387)	
<b>Net cash from operations</b>			168,328		962,397
<b>Investing activities</b>					
Purchase of tangible fixed assets		(-)		(5,611)	
Purchase of intangible fixed assets		(12,061)		(-)	
Purchase of current asset investments		(-)		(750,000)	
PRI Expenditure - additions		(81,231)		(-)	
<b>Net cash used in investing activities</b>			(93,292)		(755,611)
<b>Financing activities</b>					
Repayments of borrowings		(97,595)		(95,064)	
Cash balances relating to Trust and Distribution Funds held by LCVS		2,453,000		-	
<b>Net cash used in financing activities</b>			2,355,405		(95,064)
<b>Net increase in cash and cash equivalents</b>			2,430,441		111,722
<b>Cash and cash equivalents at beginning of the year</b>			(1,277,620)		(1,389,342)
<b>Cash and cash equivalents at end of the year</b>			1,152,821		(1,277,620)
<b>Represented by:</b>			31 March 2020		31 March 2019
			£		£
Cash at bank and in hand			1,152,821		742,380
Bank overdraft			-		(2,020,000)
			1,152,821		(1,277,620)

# **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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## **1. Limited Liability**

Liverpool Charity and Voluntary Services ("LCVS") is a company limited by guarantee, incorporated in England and Wales (registration number 181759) and a registered charity (registration number 223485). In the event of the charity being wound up each member's liability is limited to £1. The registered office is 151 Dale Street, Liverpool L2 2AH.

## **2. Accounting Policies**

### ***Basis of Accounting***

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland - FRS 102, (effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

LCVS meet the definition of a public benefit entity under FRS 102.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The accounts are presented in Sterling and rounded to the nearest £1.

### ***Reduced disclosures***

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements in relation to its individual financial statements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated in these group financial statements.

### ***Going Concern***

The Trustees acknowledge that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances.

As set out in the Directors Report, the Trustees have given due regard to the increased pressure on income streams brought about by the pandemic and have concluded that the positive level of general reserves, utilisation of available cash balances and additional funding received to deliver covid-19 response activities mean that the going concern basis remains appropriate for the preparation of these financial statements.

In particular, as an infrastructure organisation, LCVS has accessed a number of grants to support both its own operational activities and to provide ongoing support to other voluntary sector organisations, particularly those who have continued to provide specific support services throughout the current pandemic. LCVS has been at the forefront of Liverpool City Council's initiative to support volunteers meeting the needs of vulnerable and shielded persons and has received funding to support its staff involved in this work.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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The Trustees continue to prepare and review revised forecasts as the situation develops. The latest forecasts indicate that, despite an anticipated fall in income generated from the Programme Related Asset and services provided to occupants and users of the building, the Group and Charity will maintain sufficient liquidity to continue in operation for at least 12 months from the approval of these financial statements.

Initial forecasts prepared at the start of the year show significant deficits since, at this stage, many sources of potential income cannot be recognised with a degree of certainty. However, the trustees are committed to ensuring that for each of the years 2020/2021 and 2021/2022 the organisation achieves at least break-even both in terms of reserves and cash generation, i.e. a minimum requirement to generate cashflow surpluses after meeting capital expenditure requirements and servicing bank borrowings. Management results are reviewed on a quarterly basis to ensure that this requirement is being met and that the organisation is working to achieve this goal in each financial year.

There is currently a net current liabilities position which has arisen primarily as a result of capital expenditure which has been met out of working capital, utilising cash balances on Trust and Distribution ledger accounts. Whilst recognised as a short term measure, these balances are partly offset by LCVS's own cash held in its bank current accounts and invested in the Settlers' Trust Fund. The trustees recognise the uncertainty of specific funding sources but also the strength of the organisation's income diversity and continual success in developing new initiatives to further strengthen this position.

The only external borrowings of the organisation are a bank loan in respect of the acquisition of 151 Dale Street and the trustees are confident that this loan can be serviced from the current level of income arising from the property; thus the going concern basis of accounting in preparing the annual financial statements has been used.

### ***Consolidation***

The consolidated financial statements incorporate those of the charity and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits) as under:

U W Giving (Registered Charity Number 516612; Registered Company Number 1925069) and United Trusts (Registered Charity Number 327579; Registered Company Number 2185697).

All financial statements are made up to 31<sup>st</sup> March except for United Trusts and UW Giving, whose financial year ends on 4<sup>th</sup> April 2020. No significant transactions or events occurred in the period between 31<sup>st</sup> March and 4<sup>th</sup> April 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

# **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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## ***Income***

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from donations is recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

The accounts exclude income, grants and other expenditure in respect of Deeds of Covenant, Gift Aid and other monies to be passed on to charities, since, under these arrangements, collectively known as Charity Cheques schemes, the Charity acts in general at the direction of the donor.

Investment income is recognised on an accruals basis. Any realised gains and losses are dealt with through movements on the appropriate funds.

Income from charitable activities are recognised on an accruals basis. If it is specified that grants must be used in future accounting periods, the income is deferred until those periods.

## ***Government Grants***

Income from charitable activities includes government grants which are recognised when the appropriate work has been completed and specific conditions have been met.

## ***Expenditure***

Expenditure is recognised once there is a legal or constructive obligation to make a payment.

Expenditure is allocated directly to the appropriate heading and general overhead apportioned based on an estimate of staff time applied to each activity. Management and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## ***Grants Payable***

Grants payable are charged to the Statement of Financial Activities when they have been approved by the Board of Trustees.

## ***Pension Costs***

LCVS contributes to a multi-employer pension scheme, The Pensions Trust's Growth Plan (The Plan), operated by The Pensions Trust. Since the assets are co-mingled for investment purposes, it is not possible in the normal course of events to identify on a reasonable and consistent basis, the assets and liabilities of the scheme which are attributable to the charity. In accordance with FRS 102, the scheme is therefore accounted for as a defined contribution scheme. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Group will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end. No other post retirement benefits are provided to employees.

## ***Taxation***

The income and gains of the funds are exempt from taxation as they are applied for charitable purposes only.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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### ***Programme Related Investments***

Fixed Assets which are acquired directly in order to further the objects of the charity are classified as Programme Related Investments. Whilst these assets may generate a financial return on the funds invested, they also provide a physical means of achieving the mission of the charity. Such assets are included at historical cost and are reviewed for any indications of impairment on an annual basis. Since the building, 151 Dale Street, is occupied by the charity itself for its own administrative purposes, it is classified as a mixed use investment under FRS102 and the portion of the building that is occupied by LCVS, as determined by square footage, is included within tangible fixed assets and depreciated accordingly.

### ***Investments***

Investments are classified as current assets where there is an intention to realise them in the short term and are initially measured at net transaction price and subsequently measured at fair value at each year end. Fair value is taken as mid-market price at the close of business on the valuation date. Changes in fair value are recognised as net gains / (losses) in the Statement of Financial Activities.

### ***Tangible Fixed Assets***

Fixed assets (excluding investments) are initially measured at cost less accumulated depreciation and impairment losses. All capital expenditure of £1,000 and above and other significant items are treated as a fixed asset and depreciated on a straight line basis over its useful life as follows:

Furniture, fixtures and fittings	– over 5 years
Electrical equipment (including computers)	– over 3 years
Buildings	– over 50 years
Land (included in Land & Buildings) is not depreciated.	

The gain / (loss) arising from the disposal of an asset is determined as the difference between the net sale proceeds and the carrying value of the asset and is recognised in the Statement of Financial Assets.

At each year end, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

### ***Intangible Fixed Assets***

Computer software is included at cost less accumulated amortisation and impairment losses. From 1<sup>st</sup> April 2016 all capital expenditure of £1,000 and above and other significant items have been treated as a fixed asset and amortised at 25% per annum on a reducing balance basis to reflect the period over which benefits are expected to arise.

### ***Cash at bank and in hand***

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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## **Financial Instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

## **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

## **Funds Structure**

The accounts include both unrestricted funds and restricted funds which are detailed in notes 22 and 23 respectively.

- **Unrestricted funds** comprise reserves which have been built up over a number of years to finance the Charity's general activities, the use of which is at the discretion of the trustees. Unrestricted funds can be designated if they have been set aside at the discretion of the trustees for specific purposes; where this is the case the purposes and uses of the designated funds are set out in the notes to the accounts. Unrestricted funds are primarily held in the form of fixed assets rather than cash balances and, to this extent, are not realisable in the short term.
- **Restricted funds** are those funds which have been granted to the trustees to be expended for specific purposes as outlined in Note 23.

## **Employee Costs**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when there is a clear decision or commitment to terminate the employment or provide such termination benefits.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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### **3. Key estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Critical accounting estimates and assumptions***

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### ***Key sources of estimation uncertainty***

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### ***Useful life of fixed assets***

In making decisions regarding the depreciation of fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged in the statement of financial activities in each year.

#### ***Discount rate – pension commitments***

In determining the provision for pension commitments management must estimate the discount rate at which to calculate the present value of future minimum payments, using an appropriate index as the base. The impact of a change in the assumption could have a significant impact on the provision.

#### ***Critical areas of judgement***

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Valuation of programme related investments –***

The property 151 Dale Street is included in the accounts at cost and reviewed annually for any indications of impairment. Given the special nature of this property in that it is integral to the charity meeting its objectives, and the fact that there are special relationships with tenants, typical value in use calculations are not reflective of the true value to the charity. In making a decision regarding the potential impairment of this asset, management consider the purpose for which it was originally acquired and apply judgement as to how the property is meeting those defined objectives.

### **4. Subsidiaries**

LCVS is a member of and controls U W Giving (Registered Charity Number 516612; Registered Company Number 1925069) and United Trusts (Registered Charity Number 327579; Registered Company Number 2185697). The registered office of each company is 151 Dale Street, Liverpool L2 2AH.

United Trusts was dormant throughout the year.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

U W Giving operates as a H M Revenue and Customs appointed payroll-giving agency charity and promotes (i) donations from the payroll to charities chosen by individuals, and (ii) donations made by employees acting together. From 5<sup>th</sup> April 2019 the charity only recognises those contributions which it receives directly.

Below is a summary of results for the subsidiaries:

	U W Giving		United Trusts	
	2020 £	2019 £	2020 £	2019 £
Total Incoming Resources	119,070	3,989,619	-	-
Total Resources Expended	(119,070)	(3,989,619)	-	-
	-----	-----	-----	-----
	-	-	-	-
Total funds brought forward	6,124	6,124	-	-
	-----	-----	-----	-----
<b>Total funds carried forward</b>	<b>6,124</b>	<b>6,124</b>	-	-
	=====	=====	=====	=====
<b>Represented by:</b>				
Debtors	6,124	6,124	-	-
Cash at bank	2,374	2,425	<b>3,623</b>	<b>3,998</b>
Creditors : amounts falling due within 1 year	(2,374)	(2,425)	<b>(3,623)</b>	<b>(3,998)</b>
	-----	-----	-----	-----
<b>Total funds carried forward</b>	<b>6,124</b>	<b>6,124</b>	-	-
	=====	=====	=====	=====

United Trusts is exempt from audit by virtue of s.477 of the Companies Act 2006.

## 5. Income from Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations & sundry grants	17,348	-	17,348	61,883
Legacies	-	-	-	761,406
	-----	-----	-----	-----
	<b>17,348</b>	-	<b>17,348</b>	<b>823,289,</b>
	=====	=====	=====	=====

The income from donations and legacies in 2019 was all included within unrestricted funds.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 6. Income from Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Programmes	41,876	981,194	1,023,070	4,204,317
Services to Charities and Voluntary Organisations	966,975	51,675	1,018,650	1,048,603
Services to Donors	134,799	-	134,799	167,006
Enablers	183,526	41,800	225,326	177,432
Strong Foundations	38,587	-	38,587	111,365
	<b>1,365,763</b>	<b>1,074,669</b>	<b>2,440,432</b>	<b>5,708,723</b>

The income from charitable activities in 2019 was £5,708,723 of which £1,481,509 was unrestricted and £4,227,214 was restricted funds.

**Government Grants:** Income from charitable activities (Services to Charities and Voluntary Organisations and Programmes) includes the following grants from local authorities: :

- £45,675 (2019: £55,000) Community Resource Grant received from Liverpool City Council to fund infrastructure support by LCVS and other infrastructure delivery agencies, Liverpool Network for Change and Merseyside Employment Law.
- £6,000 (2019: £6,000) from Liverpool City Council to fund support for organisations working with young people.
- £173,000 (2019: £140,000) funding from Liverpool City Council for organisations delivering activities as part of the LCVS Community Impact Programme, The Play Partnership.
- £41,800 (2019: £nil) from Wirral Council to support mental health / suicide programme.
- £7,875 (2019 : £nil) in various grants applied for by the MyClubMoor committee from Liverpool City Council to undertake specific projects.

## 7. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Interest on Cash Balances	3,701	1	3,702	6,965
Income from Settlers Trust Fund	32,689	-	32,689	25,596
	<b>36,390</b>	<b>1</b>	<b>36,391</b>	<b>32,561</b>

The investment income in 2019 was £32,561 of which £32,556 was unrestricted and £5 was restricted funds.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 8. Expenditure on Charitable activities

	Activities undertaken directly	Grant funding of activities	Allocation Of Core Costs	2020 TOTAL	2019 TOTAL
	£	£	£	£	£
Programmes	150,726	874,618	-	1,025,344	4,235,657
Services to Charities and Voluntary Organisations	824,641	-	-	824,641	830,603
Services to Donors	89,757	-	-	89,757	108,508
Enablers	107,032	-	-	107,032	93,996
Strong Foundations	-	-	367,370	367,370	394,242
<b>Total Costs</b>	<b>1,172,156</b>	<b>874,618</b>	<b>367,370</b>	<b>2,414,144</b>	<b>5,663,006</b>

The expenditure on charitable activities was £2,414,144 (2019: £5,663,006) of which £1,389,000 (2019: £1,420,787) was unrestricted and £1,025,144 (2019: £4,242,219) was restricted funds.

Included within Expenditure on Charitable Activities (Services to Charities and Voluntary Organisations), is an amount of £21,323 (2019: £22,387) relating to interest on the bank loan.

Grant funding of activities:	2020 TOTAL	2019 TOTAL
	£	£
Liverpool & Merseyside Charities Funds	10,000	10,000
Play Partnership	243,318	191,000
Prescribing	19,320	-
Violence Reduction Unit	482,910	-
UW Giving – distributed by Charities Aid Foundation in accordance with individual donors' direct instructions	119,070	3,989,619
<b>Group Total</b>	<b>874,618</b>	<b>4,190,619</b>

Grants made under the Liverpool & Merseyside Charities Funds are paid directly to individuals as part of the LCVS hardship grants programme. All other grants are paid to institutions, as under:

<b>Play Partnership</b>	12 grants not exceeding £2,000	
	Merseyside Play Action Council	£230,470
<b>Prescribing</b>	11 grants not exceeding £2,000	
<b>Violence Reduction Unit</b>	One Knowsley	£60,000
	Halton & St Helens VCS	£60,000
	Community Action Wirral	£90,000
	Sefton CVS	£90,000
	4 grants not exceeding £2,000	
	36 grants between £2,001 and £7,500	

No core costs or support costs are allocated to grant giving.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Governance costs comprise:

	2020 £	2019 £
Core costs	21,291	18,304
Audit	27,084	14,358
<b>TOTAL GOVERNANCE COSTS</b>	<b>48,375</b>	<b>32,662</b>

Core costs relate wholly to Corporate Overheads, comprising a percentage recharge of Chief Executive Officers' salary costs.

## Allocation of Core Costs

Only overheads relating directly to each delivery area are charged as expenditure. LCVS's general core costs are classified under 'Strong Foundations' and are separately identified. These comprise:

	2020 £	2019 £
Core Salaries	98,162	95,478
Unwinding of Pension Fund Commitment	32,026	39,109
Property Costs	102,492	106,092
Marketing	2,284	3,298
IT Provision	15,838	15,747
Audit	27,084	14,358
Administration	48,260	42,108
Provision for Doubtful Debts	-	38,350
Depreciation	36,897	37,953
Amortisation	4,327	1,749
<b>TOTAL CORE COSTS</b>	<b>367,370</b>	<b>394,242</b>

## 9. Net Expenditure for the Year

	2020 £	2019 £
This is stated after charging :		
a. Depreciation	36,897	37,953
Amortisation	4,327	1,749
	=====	=====
b. Auditor's remuneration		
- audit	27,084	14,358
- other services	-	-
	=====	=====
	27,084	14,358
	=====	=====
c. Operating lease costs	1,638	2,207
	=====	=====

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 10. Staff Costs and Numbers – Group & Charity

	2020	2019
Staff costs were as follows:	£	£
salaries	575,973	525,362
social security	44,180	40,503
pension costs	58,379	63,448
	-----	-----
	<b>678,532</b>	<b>629,313</b>
	=====	=====

The average number of employees during the year was as follows:

	2020 Number	2019 Number
Direct charitable activities	16	15
Management and administration	11	10
	-----	-----
	<b>27</b>	<b>25</b>
	===	===

No employee received emoluments of more than £60,000 during the year (2019: none).

The Trustees, being also the Directors of the company, are not remunerated for their services. No trustees have claimed expenses (2019: £nil); trustees are not included in the above number of employees.

## 11. Programme Related Investments – Group & Charity

	2020	2019
<i>Property Investment:</i>	£	£
Cost at beginning of the year	7,537,552	7,537,552
Additions during the year	81,231	-
	-----	-----
<b>Cost at end of the year</b>	<b>7,618,783</b>	<b>7,537,552</b>
	=====	=====

LCVS purchased the freehold property of 151 Dale Street which has become a resource centre for the voluntary sector in Liverpool, providing facilities and office accommodation at an affordable cost to organisations. The provision of this accommodation and associated services assists LCVS in meeting its charitable objectives.

LCVS itself is located in the building which has led to efficiency improvements and also the benefit of becoming more accessible to the sector. Refurbishment work has been completed and the building currently runs at approximately 90% occupancy; LCVS receives income in the form of rent from tenants and also users of the conference and meeting facilities.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

In February 2019, a valuation of the building was undertaken by BNP Paribas Real Estate for the purposes of the Co-Operative Bank. The market value for security purposes was considered to be £3million. This figure was based upon the commercial value of the existing licences and tenancies and therefore takes no account of the special circumstances and relationships with occupiers.

The Programme Related Investment is reviewed annually for any indications of impairment. A decision has been made not to impair the property since it is still being used for the purpose for which it was acquired and developed and this is not expected to change going forward.

The property is integral to the charity meeting its objectives and is therefore classified as a Programme Related Investment. The property is included in these accounts at historic cost.

## 12. Tangible Fixed Assets - Group & Charity

	Freehold Land & Buildings £	Computer & Other Equipment £	Total £
<b>Cost</b>			
Balance at 1 <sup>st</sup> April 2019	1,710,978	229,675	1,940,653
Balance at 31 <sup>st</sup> March 2020	1,710,978	229,675	1,940,653
<b>Depreciation and impairment</b>			
Balance at 1 <sup>st</sup> April 2019	341,542	223,058	564,600
Charge for the year	34,220	2,677	36,897
Balance at 31 <sup>st</sup> March 2020	375,762	225,735	601,497
<b>Carrying amount at 31<sup>st</sup> March 2020</b>	<b>1,335,216</b>	<b>3,940</b>	<b>1,339,156</b>
<b>Carrying amount at 31<sup>st</sup> March 2019</b>	<b>1,369,436</b>	<b>6,617</b>	<b>1,376,053</b>

All tangible fixed assets are used in the direct charitable activities of the charity.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 13. Intangible Fixed Assets - Group & Charity

	Computer Software	Total
Cost	£	£
Balance at 1 <sup>st</sup> April 2019	10,416	10,416
Additions during the period	12,061	12,061
	-----	-----
Balance at 31 <sup>st</sup> March 2020	22,477	22,477
	-----	-----
<b>Amortisation and impairment</b>		
Balance at 1 <sup>st</sup> April 2019	5,168	5,168
Charge for the period	4,327	4,327
	-----	-----
Balance at 31 <sup>st</sup> March 2020	9,495	9,495
	-----	-----
<b>Carrying amount at 31<sup>st</sup> March 2020</b>	<b>12,982</b>	<b>12,982</b>
	=====	=====
<b>Carrying amount at 31<sup>st</sup> March 2019</b>	<b>5,248</b>	<b>5,248</b>
	=====	=====

All intangible fixed assets are used in the direct charitable activities of the charity.

## 14. Distribution Funds – Group & Charity

These are charitable monies given to LCVS, as trustee, to be passed on to charities in accordance with the donors' instructions. Ordinarily LCVS has no power to spend these monies and therefore these balances are not included on the charity or consolidated balance sheets. However LCVS and the Distribution bank funds are amalgamated to maximise returns on the money market.

	2020	2019
	£	£
Funds held at the end of the year	491,687	635,083
	=====	=====
<i>Represented by:</i>		
Cash balances held by LCVS	452,000	531,000
Bank balance	25,300	87,320
Other Debtors	14,387	16,763
	-----	-----
	491,687	635,083
	=====	=====

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 15. Debtors

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	154,600	154,600	138,027	138,027
Prepayments and accrued income	318,866	318,866	386,932	386,932
Other debtors	258,212	258,212	284,597	284,597
United Trusts Intercompany Account	-	10	-	11
	-----	-----	-----	-----
	<b>731,678</b>	<b>731,688</b>	<b>809,556</b>	<b>809,567</b>
	=====	=====	=====	=====

## 16. Current Asset Investments – Group & Charity

	2020	2019
	£	£
<i>Quoted Investments:</i>		
Carrying amount as at 1 <sup>st</sup> April 2019	1,046,759	1,046,759
Additions during the period	-	750,000
Net unrealised/realised (losses) on investment assets	(132,602)	(1,470)
	-----	-----
<b>Carrying amount as at 31<sup>st</sup> March 2020</b>	<b>914,157</b>	<b>1,046,759</b>
	=====	=====
<b>Historic cost at 31<sup>st</sup> March 2020</b>	<b>969,666</b>	<b>969,666</b>
	=====	=====
<i>At market value:</i>		
Share of Settlers' Trust Fund (see note 26)	<b>914,157</b>	<b>1,046,759</b>
	=====	=====

## 17. Creditors falling due within one year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Bank Loan	100,000	100,000	100,000	100,000
Bank Overdraft	-	-	2,020,000	2,020,000
Trade Creditors	3,894	3,894	6,418	6,418
Accruals and deferred income	682,170	682,170	678,593	678,593
Tax and social security costs	11,270	11,270	9,961	9,961
Other creditors	2,465,484	2,459,497	17,066	10,654
Intercompany Accounts	-	6,124	-	6,124
	-----	-----	-----	-----
	<b>3,262,818</b>	<b>3,262,955</b>	<b>2,832,038</b>	<b>2,831,750</b>
	=====	=====	=====	=====

Cash balances relating to Trust and Distribution Funds held by LCVS are included in Other creditors (2019 : Bank Overdraft).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 18. Deferred income – Group & Charity

	2020	2019
	£	£
Balance at beginning of period	-	18,000
Additional amounts deferred	-	-
Release of deferred income	(-)	(18,000)
	-----	-----
Balance at end of period	-	-
	=====	=====

Deferred income brought forward at 1<sup>st</sup> April 2018 related to programme management income received for 2018/19 programmes.

## 19. Creditors falling due after more than one year – Group & Charity

	2020	2019
	£	£
Bank loan	806,437	904,032
	-----	-----
	<b>806,437</b>	<b>904,032</b>
	=====	=====

A loan facility of £1.7 million was arranged with The Co-operative Bank plc to assist in the acquisition and refurbishment of 151 Dale Street. This has been fully drawn down and capital repayments commenced in the 2012 year end. Interest is calculated at The Co-operative Bank plc Base Rate plus 1.5%. The security for this loan is a first legal charge over the premises, 151 Dale Street, Liverpool.

### Analysis of debt maturity:

	2020	2019
	£	£
<b>Amounts payable :</b>		
In one year or less or on demand	100,000	100,000
In more than one year but not more than two years	100,000	100,000
In more than two years but not more than five years	300,000	300,000
In five years or more	406,437	504,032
	-----	-----
	<b>906,437</b>	<b>1,004,032</b>
	=====	=====

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 20. Financial instruments – Group

	2019 £	2019 £
Financial assets measured at amortised cost	417,405	626,453
Equity instruments measured at fair value through income and expenditure	914,157	1,046,759
	<u>1,331,562</u>	<u>1,673,212</u>
	=====	=====
	2019 £	2019 £
Financial liabilities measured at amortised cost	4,057,985	3,726,109
	<u>4,057,985</u>	<u>3,726,109</u>
	=====	=====

## 21. Analysis of Net Assets between Funds

### 2020

	Programme related investments	Fixed assets	Net current liabilities	Long term liabilities	Provisions	TOTAL
	£	£	£	£	£	£
<b>Charity Unrestricted Funds</b>						
General Fund	1,599,245	1,352,138	(530,030)	(806,437)	(158,419)	1,456,497
151 Dale Street Fund	6,019,538	-	-	-	-	6,019,538
	<u>7,618,783</u>	<u>1,352,138</u>	<u>(530,030)</u>	<u>(806,437)</u>	<u>(158,419)</u>	<u>7,476,035</u>
	=====	=====	=====	=====	=====	=====
<b>Restricted Funds</b>						
Wirral Council	-	-	41,800	-	-	41,800
MAMHS	-	-	17,944	-	-	17,944
MyClubMoor	-	-	59,744	-	-	59,744
	<u>-</u>	<u>-</u>	<u>59,744</u>	<u>-</u>	<u>-</u>	<u>59,744</u>
	=====	=====	=====	=====	=====	=====
<b>Charity Total</b>	<b>7,618,783</b>	<b>1,352,138</b>	<b>(470,286)</b>	<b>(806,437)</b>	<b>(158,419)</b>	<b>7,535,779</b>
	=====	=====	=====	=====	=====	=====
UW Giving - Unrestricted	-	-	6,124	-	-	6,124
	<u>-</u>	<u>-</u>	<u>6,124</u>	<u>-</u>	<u>-</u>	<u>6,124</u>
	=====	=====	=====	=====	=====	=====
<b>Group Total</b>	<b>7,618,783</b>	<b>1,352,138</b>	<b>(464,162)</b>	<b>(806,437)</b>	<b>(158,419)</b>	<b>7,541,903</b>
	=====	=====	=====	=====	=====	=====
Group Unrestricted	7,618,783	1,352,138	(523,906)	(806,437)	(158,419)	7,482,159
Group Restricted	-	-	59,744	-	-	59,744
	<u>7,618,783</u>	<u>1,352,138</u>	<u>(464,162)</u>	<u>(806,437)</u>	<u>(158,419)</u>	<u>7,541,903</u>
	=====	=====	=====	=====	=====	=====

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 21. Analysis of Net Assets between Funds (continued...)

2019

	Programme related investments	Fixed assets	Net current liabilities	Long term liabilities	Provisions	TOTAL
<b>Charity</b>	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General Fund	1,518,014	1,381,301	(239,467)	(904,032)	(187,000)	1,568,816
151 Dale Street Fund	6,019,538	-	-	-	-	6,019,538
	<u>7,537,552</u>	<u>1,381,301</u>	<u>(239,467)</u>	<u>(904,032)</u>	<u>(187,000)</u>	<u>7,588,354</u>
<b>Restricted Funds</b>						
LCVS Community Impact Programmes	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Charity Total</b>	<b>7,537,552</b>	<b>1,381,301</b>	<b>(239,467)</b>	<b>(904,032)</b>	<b>(187,000)</b>	<b>7,588,354</b>
UW Giving - Unrestricted	-	-	6,124	-	-	6,124
<b>Group Total</b>	<b><u>7,537,552</u></b>	<b><u>1,381,301</u></b>	<b><u>(233,343)</u></b>	<b><u>(904,032)</u></b>	<b><u>(187,000)</u></b>	<b><u>7,594,478</u></b>
Group Unrestricted	7,537,552	1,381,301	(233,343)	(904,032)	(187,000)	7,594,478
Group Restricted	-	-	-	-	-	-
	<u>7,537,552</u>	<u>1,381,301</u>	<u>(233,343)</u>	<u>(904,032)</u>	<u>(187,000)</u>	<u>7,594,478</u>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 22. Unrestricted Funds – Group & Charity

The General Fund is used to finance the Charity's general activities as outlined in the Trustees' Report.

Trustees have designated the funds which were originally realised and used to purchase the charity's programme related investment as a separate '151 Dale Street Fund'. This fund is held entirely as a fixed asset. This is intended to recognise the long term nature of such reserves and will be re-visited in later years if more general funds are permanently applied for this purpose.

2020	<u>Movements in the year</u>					Resources at end of year £
	Resources at beginning of year £	Income £	Expenditure £	Transfers £	(Losses) on Investment Assets £	
General Fund	1,568,816	1,419,501	(1,389,000)	(10,218)	(132,602)	1,456,497
151 Dale Street Fund	6,019,538	-	-	-	-	6,019,538
<b>Charity Totals</b>	<b>7,588,354</b>	<b>1,419,501</b>	<b>(1,389,000)</b>	<b>(10,218)</b>	<b>(132,602)</b>	<b>7,476,035</b>
UW Giving	6,124	-	-	-	-	6,124
<b>Total Funds</b>	<b>7,594,478</b>	<b>1,419,501</b>	<b>(1,389,000)</b>	<b>(10,218)</b>	<b>(132,602)</b>	<b>7,482,159</b>

**Transfers:** Transfers from general fund represent contribution to delivery costs of the Play Partnership (LCVS Community Impact Programme).

2019	<u>Movements in the year</u>					Resources at end of year £
	Resources at beginning of year £	Income £	Expenditure £	Transfers £	(Losses) on Investment Assets £	
General Fund	658,719	2,337,354	(1,420,787)	(5,000)	(1,470)	1,568,816
151 Dale Street Fund	6,019,538	-	-	-	-	6,019,538
<b>Charity Totals</b>	<b>6,678,257</b>	<b>2,337,354</b>	<b>(1,420,787)</b>	<b>(5,000)</b>	<b>(1,470)</b>	<b>7,588,354</b>
UW Giving	6,124	-	-	-	-	6,124
<b>Total Funds</b>	<b>6,684,381</b>	<b>2,337,354</b>	<b>(1,420,787)</b>	<b>(5,000)</b>	<b>(1,470)</b>	<b>7,594,478</b>

**Transfers:** Transfers from general fund represent contribution to delivery of the Play Partnership (LCVS Community Impact Programme).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 23. Restricted Funds – Group & Charity

2020	<u>Movements in the year</u>					Resources at end of year £
	Resources at beginning of year £	Income £	Expenditure £	Transfers £	(Losses) on Investment Assets £	
Liverpool City Council CRG	-	45,675	(45,675)	-	-	-
Liverpool City Council Youth Funding	-	6,000	(6,000)	-	-	-
LCVS Community Impact Programme:						
- Play Partnership	-	233,100	(243,318)	10,218	-	-
Prescribing	-	19,320	(19,320)	-	-	-
Violence Reduction Unit	-	482,910	(482,910)	-	-	-
Wirral Council MAMHS	-	41,800	(-)	-	-	41,800
MyClubMoor	-	126,795	(108,851)	-	-	17,944
<b>Charity Totals</b>	-	<b>955,600</b>	<b>(906,074)</b>	<b>10,218</b>	-	<b>59,744</b>
UW Giving distributions	-	119,070	(119,070)	-	-	-
<b>Total Funds</b>	-	<b>1,074,670</b>	<b>(1,025,144)</b>	<b>10,218</b>	-	<b>59,744</b>

**Transfers:** Transfers from general fund represent contribution to delivery costs of the Play Partnership (LCVS Community Impact Programme).

2019	<u>Movements in the year</u>					Resources at end of year £
	Resources at beginning of year £	Income £	Expenditure £	Transfers £	(Losses) on Investment Assets £	
Liverpool City Council CRG	-	55,000	(55,000)	-	-	-
Liverpool City Council Youth Funding	-	6,000	(6,000)	-	-	-
LCVS Community Impact Programmes:						
- Play Partnership	10,000	176,000	(191,000)	5,000	-	-
- Reading Project	-	600	(600)	-	-	-
<b>Charity Totals</b>	<b>10,000</b>	<b>237,600</b>	<b>(252,600)</b>	<b>5,000</b>	-	-
UW Giving distributions	-	3,989,619	(3,989,619)	-	-	-
<b>Total Funds</b>	<b>10,000</b>	<b>4,227,219</b>	<b>(4,242,219)</b>	<b>5,000</b>	-	-

**Transfers:** Transfers from general fund represent contribution to delivery of the Play Partnership (LCVS Community Impact Programme).

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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### ***Description of Funds***

These are monies given to the Charity to be spent at the discretion of the Charity's Board of Trustees for specific charitable purposes, as follows:

#### ***a. Liverpool City Council CRG***

Funding is received from Liverpool City Council Community Resources Grants team towards the costs of providing capacity building services to Liverpool organisations. Funding for the year was £45,675 (2019: £55,000) which has been fully spent.

#### ***b. Liverpool City Council Youth Funding***

Funding received from Liverpool City Council to provide capacity building support services to organisations working with and benefitting young people.

#### ***c. LCVS Community Impact Programmes***

Programmes to tackle specific areas of local need. Income has been received by way of donations to our reading projects which have supported reading groups pre-school and within schools. In addition we received significant grants to fund and take the lead role in facilitating The Play Partnership, providing essential support to playschemes throughout the City.

#### ***d. Prescribing***

Funding received to support LCVS's lead role in social prescribing programme.

#### ***e. Violence Reduction Unit***

Funding received to support LCVS's lead role in delivering a grants programme to tackle knife crime.

#### ***f. Wirral Council MAMHS***

Funding received to deliver a grants programme to tackle mens' mental health / suicide programme.

#### ***g. MyClubMoor***

Funding received from various sources, primarily Local Trust, to LCVS as the Local Trusted Organisation for the MyClubMoor project for running costs and specific projects.

#### ***h. UW Giving distributions***

Donations received by the subsidiary company, UW Giving, fully distributed by Charities Aid Foundation (CAF) in accordance with individual donors' direct instructions. From 5<sup>th</sup> April 2019 only those contributions received directly by the charity are included in these accounts; other contributions are received and distributed directly by CAF with no reference to UW Giving.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 24. Guarantees and Other Financial Commitments

Financial commitments under non-cancellable operating leases relating to office equipment for both the company and the group were as follows:

	2020 £	2019 £
<b>Total future minimum lease payments :</b>		
Not later than one year	1,912	1,912
Later than one year and not later than five years	1,503	3,415
	<b>3,415</b>	<b>5,327</b>
	=====	=====

At 31<sup>st</sup> March 2020, LCVS was a member of United Trusts and U W Giving. These are companies limited by guarantee and therefore, in the event of insolvent winding up, LCVS would be required to make a nominal guarantee payment in respect of each. The maximum liability would be £2.

## 25. Pension Obligations: TPT Retirement Solutions – The Growth Plan

LCVS participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum  
(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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

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

## Present Values of Provision

	31 March 2020 (£s)	31 March 2019 (£s)	31 March 2018 (£s)
Present value of provision	158,419	186,713*	294,921

(\* included in 31 March 2019 accounts at £187,000)

## Reconciliation of Opening and Closing Provisions

	Period Ending 31 March 2020 (£s)	Period Ending 31 March 2019 (£s)
Provision at start of period	186,713	294,921
Unwinding of the discount factor (interest expense)	4,321	6,860
Deficit contribution paid	(32,026)	(39,109)
Remeasurements - impact of any change in assumptions	(589)	(316)
Remeasurements - amendments to the contribution schedule	-	(75,643)
Rounding adjustment	158,419	186,713
<b>Provision at end of period</b>		

## Income and Expenditure Impact

	Period Ending 31 March 2020 (£s)	Period Ending 31 March 2019 (£s)
Interest expense	4,321	6,860
Remeasurements - impact of any change in assumptions	(589)	(316)
Remeasurements - amendments to the contribution schedule	-	(75,643)

## Assumptions

	31 March 2020 % per annum	31 March 2019 % per annum	31 March 2018 % per annum
Rate of discount	2.71	2.55	2.49

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

### **Deficit Contributions Schedule**

Year ending 31 March 2020	31 March 2019	31 March 2018
(£s)	(£s)	(£s)
Year 1	32,986	39,109
Year 2	33,976	40,283
Year 3	34,995	41,491
Year 4	36,045	42,736
Year 5	30,939	44,018
Year 6	-	45,338
Year 7	-	46,699
Year 8	-	24,050
Year 9	-	-
Year 10	-	-
Year 11	-	-
Year 12	-	-
Year 13	-	-
Year 14	-	-
Year 15	-	-
Year 16	-	-
Year 17	-	-
Year 18	-	-
Year 19	-	-
Year 20	-	-

### **26. Pooling Scheme Funds**

The Charity administers a pooling scheme fund, the Settlers' Trust Fund, approved by the Charity Commission under the Charities Act 2011 as Common Investment Schemes for funds of which it is Trustee.

At 31<sup>st</sup> March 2020 the assets of the Settlers' Trust Fund had a total market value of £25,567,981 (£27,827,063 at 31<sup>st</sup> March 2019) of which £914,157 (£1,046,759 at 31<sup>st</sup> March 2019) is an asset of the Charity. Total income earned on the assets of the Settlers' Trust Fund was £853,632 for the year ended 31<sup>st</sup> March 2020 (£821,583 for the year ended 31<sup>st</sup> March 2019) of which the Charity's income was £32,689 (£25,596 for the year ended 31<sup>st</sup> March 2019). In 2019 LCVS introduced £750,000 into the fund being the receipt of legacy monies.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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### 27. Personal Charitable Trusts

*The Charity is Trustee of Personal Charitable Trusts which are listed below. These are all registered charities and a separate Annual Report is prepared for each of them.*

<i>N.L. Arthurson Fund</i>	<i>Kitchen Table Charities Trust</i>
<i>John Behrend Fund</i>	<i>Mrs. E.C. Lanceley's Charity</i>
<i>Richard Behrend Charitable Trust</i>	<i>Macamish Trust</i>
<i>Edward Bibby Fund</i>	<i>The Claire McKeever Trust</i>
<i>J.B. Bibby Fund</i>	<i>Margaret E. Moss Fund</i>
<i>Leslie Bibby Fund</i>	<i>Adam C.I. Naylor Charitable Trust</i>
<i>The Peter Bibby Charitable Trust</i>	<i>R.Christopher Naylor (Harriet) Fund</i>
<i>Susan Bibby Fund</i>	<i>R. Christopher Naylor (Thomas) Fund</i>
<i>Henry Birch Fund</i>	<i>T.P. Naylor Trust</i>
<i>Mrs. R.J. Bradley's Charity</i>	<i>Helen Nilsen Fund</i>
<i>Derek &amp; Chris Bunting Foundation</i>	<i>John &amp; Shenagh Norman Charitable Trust</i>
<i>Mrs. M.J. Cunnah's Charity</i>	<i>Nutmeg Charitable Trust</i>
<i>Dove Charitable Trust</i>	<i>Sir Harry Pilkington Fund</i>
<i>William Edmonds Fund</i>	<i>Pilkington Jones Charitable Trust Fund</i>
<i>Emerald Charitable Trust</i>	<i>H.J Rawlings Trust</i>
<i>Fellowship Farm Guest House Trust</i>	<i>M.J. Ridges Charitable Trust</i>
<i>David Fryer Charitable Trust</i>	<i>Sansaw and Hardwicke Charitable Fund</i>
<i>Fulton Charitable Trust</i>	<i>Sheba Charitable Trust</i>
<i>The Kelly and Bernard Gadney Fund</i>	<i>Sharples Charitable Trust</i>
<i>A.L. Grant 1<sup>st</sup> Charitable (Fund)</i>	<i>Shone No. 2 Charitable Trust</i>
<i>Harding Charitable Trust</i>	<i>Standfield Charitable Trust</i>
<i>Miss A.M. Harding Charity</i>	<i>The Stoddart Charitable Trust</i>
<i>M.E. Hawkes Charitable Trust</i>	<i>Surrey Square Charitable Trust</i>
<i>R.G. Hetherington Fund</i>	<i>Sutcliffe Family Charitable Trust</i>
<i>Hobhouse Fund</i>	<i>The Tavener Charitable Trust</i>
<i>Harvey Hughes Jones Fund</i>	<i>Cecil Taylor Family Charitable Trust</i>
<i>Brian James Fund</i>	<i>Caroline Tod Charitable Trust</i>
<i>B.R. Jardine Charitable Trust</i>	<i>Topaz Charitable Trust</i>
<i>Andrew Jones Charitable Trust</i>	<i>Trefula Trust Fund</i>
<i>Neil Jones Charitable Trust</i>	<i>Whinlatter Fund</i>
<i>Penelope Jones Charitable Trust</i>	<i>Whitlock Blundell Charitable Trust</i>
<i>Mrs F.M Kaye-Krzeczkowski Charitable Trust</i>	

### 28. Charitable Trusts of which the Charity is Co-Trustee

*The Charity is also a Trustee of the following charitable trusts. In these cases it shares trusteeship with a number of individuals. These are all registered charities and a separate Annual Report is prepared for each of them.*

<i>The Anber Fund</i>	<i>The David and Ruth Behrend Fund</i>
<i>The Amelia Chadwick Trust</i>	<i>The David Lewis Association</i>
<i>Sir Andrew Martin Trust for Young People</i>	<i>The Mushroom Fund</i>
<i>The Rushworth Trust</i>	<i>The Selwyn Lloyd Charitable Trust</i>
<i>The J A Shone Memorial Trust</i>	<i>The T.I.F Tod Charitable Trust</i>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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### **29. Other Funds**

The Charity is also Trustee of a number of small charitable trusts and funds as listed below. A separate Annual Report is prepared for each of these.

*Aged Women's Pension Charity*  
*Robert Davies Trust*  
*Liverpool Dispensaries Fund*

*Robert Orr Crichton Memorial Fund*  
*Liverpool Auxiliary Pension Fund*

### **30. Related Parties**

The remuneration paid to the senior management team, who are considered to be the key management personnel for the group was £149,475 (2019: £137,312).

LCVS is a corporate trustee of the charitable trusts listed in notes 27 to 29 and provides administration services on an arms-length basis to these trusts. At 31<sup>st</sup> March 2020, LCVS held £2,001,000 (2019: £1,489,000) cash balances representing undistributed income on these trusts. The nature of LCVS's activities is such that it undertakes many operational activities, e.g. room hire, training courses, memberships, etc. with other local charity and voluntary organisations, with which it is possible that some LCVS trustees have connections. However such connections have no effect on these transactions and the relationship with any LCVS trustee is unlikely to be known to either party involved in arranging such transactions.

There is a balance owing from United Trusts of £10 (2019: £11) and an amount owing to UW Giving of £6,124 (2019: £6,124); both entities are subsidiaries of LCVS. During the year an amount of £34,091 (2019: £127,412) was distributed by UW Giving carrying with it the restrictions placed on it by the original donor; LCVS will distribute the funds at a later date in accordance with the donor's wishes.

### **31. Custodian Trusteeship**

At the year-end the Charity acted as Custodian Trustee of assets of the following local charities. This property includes investments, land and buildings. These assets are segregated from the Charity's own.

#### ***Investments:***

*T.I.F Tod Charitable Trust*

#### ***Land & Buildings:***

##### *Organisation*

*Ironbridge Youth Centre*  
*RSPCA*  
*Wallasey Age Concern*

##### *Asset*

*127 Beresford Rd, Liverpool 8*  
*Cross Lane, Wallasey*  
*55 & 57 Seabank Road, Wallasey*



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 32. Reconciliation from net income to cash from operations

	Group	
	2019 £	2019 £
Net (expenditure) / income	(52,575)	900,097
<b>Adjustments for:</b>		
Finance costs recognised in profit or loss	21,323	22,387
Loss on investment assets	132,602	1,470
Depreciation of tangible fixed assets	36,897	37,953
Amortisation of intangible fixed assets	4,327	1,749
(Decrease)in provisions	(28,581)	(69,650)
<b>Operating cash flows before movements in working capital</b>	<b>113,993</b>	<b>894,006</b>
Decrease in trade and other debtors	77,878	70,065
(Decrease) / Increase in trade and other creditors	(2,220)	20,713
Movement in working capital	75,658	90,778
Cash generated from operations	<u>189,651</u>	<u>984,784</u>

## **AFFILIATED ORGANISATIONS**

*At 01 December 2020*

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<i>ADHD Foundation</i>	<i>People First Merseyside</i>
<i>Age Concern Liverpool and Sefton</i>	<i>REACH Merseyside</i>
<i>Alzheimer's Society Liverpool</i>	<i>The Reader Organisation</i>
<i>Anfield Sports &amp; Community Centre</i>	<i>Relate Cheshire &amp; Merseyside</i>
<i>Asylum Link Merseyside</i>	<i>Roots Trust</i>
<i>Autism Initiatives UK</i>	<i>Rotunda Ltd</i>
<i>Birkenhead Youth Club</i>	<i>Salvation Army</i>
<i>Bradbury Fields</i>	<i>Sefton Park Palm House Preservation Trust</i>
<i>Brook Liverpool</i>	<i>Shrewsbury House Youth and Community Centre</i>
<i>Calder Kids Adventure Playground</i>	<i>South Liverpool Domestic Abuse Services</i>
<i>Catholic Blind Institute</i>	<i>St James in the City</i>
<i>Channel</i>	<i>St John Ambulance</i>
<i>Children's Cancer Support Group</i>	<i>St Michael's &amp; Lark Lane Community Association</i>
<i>Clock Community Centre</i>	<i>Sudley Area Residents Association</i>
<i>Compass</i>	<i>Support After Murder &amp; Manslaughter Merseyside</i>
<i>Cullen Street Green Harmony</i>	<i>Vauxhall Community Law and Information Centre</i>
<i>Faiths4Change</i>	<i>Writing on the Wall</i>
<i>FNF Both Parents Matter Merseyside</i>	<i>YMCA Liverpool</i>
<i>Health Energy Advice Team</i>	<i>Zoe's Place Trust</i>
<i>Health Equalities Group</i>	
<i>Interchange</i>	
<i>Liverpool City Centre Methodist Church / Somewhere Else</i>	
<i>Liverpool Community Advice</i>	
<i>Liverpool Community Spirit</i>	
<i>Liverpool International Nordic Community</i>	
<i>Liverpool Merchants Guild</i>	
<i>Liverpool Parish Church</i>	
<i>Merseyside Civic Society</i>	
<i>Merseyside County Scout Council</i>	
<i>Merseyside Jewish Community Care</i>	
<i>Merseyside Somali and Community Association</i>	
<i>Moving On With Life &amp; Learning</i>	
<i>Netherley Youth &amp; Community Initiative</i>	
<i>Norris Green Youth Centre Ltd</i>	
<i>North End Writers</i>	
<i>North Liverpool CAB</i>	
<i>Nugent Care</i>	
<i>Options for Supported Living</i>	