

STRATEGIC REPORT, TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)
(A COMPANY LIMITED BY GUARANTEE)

VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)

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For The Year Ended 31 March 2021

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**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**REFERENCE AND ADMINISTRATIVE DETAILS
For The Year Ended 31 March 2021**

TRUSTEES	L M Jones (Chair of Trustee Board) N Waghela (Vice Chair) M S Esat (Treasurer) E Rees A Aggarwal D J Cullen K McCormack (resigned 14.7.21) J R Moore (resigned 14.10.20) C Mudhefi L A Atterbury (resigned 14.6.21) A R Jolley M Platt G L Edwards (appointed 6.1.21) B S Poonia (resigned 4.6.21)
REGISTERED OFFICE	9 Newarke Street Leicester LE1 5SN
REGISTERED COMPANY NUMBER	01357513
REGISTERED CHARITY NUMBER	509300
AUDITORS	Fortus Audit LLP Chartered Accountants and Statutory Auditor 31 High View Close Hamilton Office Park Leicester Leicestershire LE4 9LJ
SOLICITORS	Shakespeares Martineau LLP 2 Colton Square Leicester LE1 1QH Knights Plc 34 Pocklington Walk Leicester LE1 6BU
BANKERS	Bank of Scotland Plc PO Box 1000 BX2 1LB

**VOLUNTARY ACTION LEICESTER
KNOWN AS
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**STRATEGIC REPORT
For The Year Ended 31 March 2021**

The Trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

Achievements and Performance

Covid 19 Pandemic

Throughout this year VAL has been at the forefront of local responses to the pandemic. At the start of the year we provided vital support to the myriad of mutual aid groups that sprung up in neighbourhoods and villages and recruited over 2,000 new volunteers who were deployed to assist vulnerable people in our communities. We engaged with strategic local partners in the public sector and successfully argued for admission to the Local Resilience Forum (LRF) - we secured a seat at the strategic and tactical levels as well as a range of delivery groups. VAL used this position to advise the LRF on actions 'in tune' with a community perspective and to enable best use of community resources and volunteers. VAL was also engaged at a regional level with the Voluntary and Community Sector Emergencies Partnership (VCSEP) providing community insight for Government through VCSEP and liaising with colleagues across the Midlands.

As the year progressed VAL organised volunteers to support a range of interventions including 'surge' testing and a discharge 'hotel' set up by the County Council and Health. We kept the local VCS informed of the changing guidance on safe operation and how to access the various support schemes such as emergency funds and the 'furlough' scheme. Our own direct services had to adjust to online only at the start of the year before moving into a more hybrid approach as the year progressed. Our income from meetings/conferences entirely ceased - partly mitigated by our own use of the furlough scheme.

At the start of the new calendar year we launched a second major recruitment drive for volunteers, this time to support the massive NHS led vaccination drive. Again we recruited in excess of 2,000 new volunteers who have proved to be amazingly effective and extremely popular. This volunteer programme is continuing into 2021-22 supported by NHS England.

Achievements through the majority of the financial year

As noted above our work this financial year has been affected and disrupted by the Covid 19 Pandemic. None of our work has stopped entirely, although in some instances there have been pauses in delivery or changes in the way the services could be delivered given the national restrictions and guidance. Our key achievements have been:

VALUES - support for people with Learning Difficulties - The VALUES service provides direct support to, and aids the independence of, people with Learning Difficulties. We have 130 service users who pay for their support through their Personal Budget allocated by the Local Authority. The VALUES service has had to provide support for people through online means for the initial half of the year - in some instances we have raised money to provide Facebook Portals for clients and support them to access services online.

From September we began to offer in person support again but based at our offices instead of out in the community (still restricted because of lockdowns). We have been able to offer a variety of activities - but not our usual full range of support. Our supported training opportunity selling sandwiches (Sandwich Station) giving clients experience in customer service, food hygiene, and basic business skills has not been able to operate at all this year.

Building Better Opportunities

VAL is the Accountable Body for two contracts funded by the European Union and managed by The National Lottery Community Fund. They are both aimed at helping people into employment with one project (YES project) supporting young people into employment, and the other project (GREAT project) supporting families into employment. Both projects involve VAL as project managers, with other partners supporting the delivery alongside some delivery by VAL staff.

The delivery of these projects was severely disrupted by the Pandemic and we probably lost two quarters of outputs as a result of lockdowns, and the lack of employment and training options for clients.

The YES project:

- Despite the pandemic we engaged a further 90 young people this year - by the end of March 2021 we had engaged a total of 616 young people towards our new programme target of 932 participants (given the project has been further extended to end March 2023 - previous target 771).
- This year 2 (last year 48) young people have moved on into employment.
- This year 10 (last year 34) have enrolled into education or training.

The GREAT project:

- Has engaged a further 37 participants this year - by the end of March 2021 we had engaged a total of 659 participants towards our new programme target of 1,031 participants (given the project has been extended to March 2023- previous

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**STRATEGIC REPORT
For The Year Ended 31 March 2021**

target 500).

- This year 6 (last year 48) have moved on into employment
- This year 6 (last year 48) have enrolled into education or training

VAL is also a delivery partner in another BBO project managed by VISTA (a local charity). This is The Work.Live.Leicestershire (WiLL) programme that helps people who are economically inactive or unemployed who are living in rural Leicestershire to move into job search, training, or employment. Our primary role is to support people to gain experience through volunteering. We have:

- Managed 25 project referrals
- Placed 15 people into volunteering
- Achieved a positive exit outcome for 20 participants

Sector Support - VAL has contracts to support voluntary and community groups and volunteering in Leicester City and Leicestershire. During the year we have:

- Supported approximately 5,000 people in volunteering in the City and County
- Organised a range of online events including our annual Future Focus conference - attended by 871 people from 371 local community groups.
- Provided Direct Support for 635 local groups equating to 87,600 minutes of expert support.
- Supported 51 local groups to raise £289,946 in new income
- Provided online training for 611 people
- Delivered regular communication to groups through our website and frequent electronic briefings - there are 4,706 subscribers to our e-newsletters that provide updates on policy briefings, volunteering, funding and commissioning opportunities and economic impact.

FINANCIAL REVIEW

This financial year the organisation has recorded an 'in year' surplus in unrestricted funds of £149,864 (2020: surplus of £157,487)

During this year approximately 62% of VAL's income was for the delivery of services to people in need, 28% of our income was for supporting community and voluntary groups and volunteering, and the remaining 10% income was from trading activity.

VAL has a number of significant contracts and grants:

- Leicestershire County Council - for delivery of support services to the community sector and volunteering.
- Leicester City Council - for delivery of support services to the community sector and volunteering.
- The National Lottery Community Fund as agent for European Social Investment Fund - for the Building Better Opportunities projects (YES, GREAT and WiLL projects) and this year we received an emergency COVID grant.

POLICY ON RESERVES

The charity had unrestricted reserves of over £2m excluding the pension scheme liability as at 31 March 2021. After taking account of operational fixed assets and the defined benefit pension liability, the charity does not currently hold any free reserves. The charity's reserves policy sets out an aim to accumulate free reserves equivalent to three months of VAL running costs over the next five years.

The trustees have two purposes for the accumulation of operating reserves:

1. To enable the organisation to be wound up if this is found prudent and necessary.
2. To finance the development of new or existing services.

PRINCIPAL FUNDING SOURCES

The charity has not undertaken fundraising from the public in any significant way during the year. The majority of funds have been received from statutory authorities through service contracts, or from grant making bodies such as Trusts.

In the 2020-21 financial year funding was received from:

- o Leicestershire County Council
- o Leicester City Council
- o Leicester City Clinical Commissioning Group
- o West Leicestershire Clinical Commissioning Group
- o East Leicestershire and Rutland Clinical Commissioning Group
- o Department of Work and Pensions
- o European Union
- o The National Lottery Community Fund
- o The Department of Culture, Media and Sport

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**STRATEGIC REPORT
For The Year Ended 31 March 2021**

INVESTMENT POLICY AND OBJECTIVES

The Trustees have reviewed their policy of retaining investment in easily accessible deposit accounts and confirmed it is necessary for cash-flow purposes to continue to utilise lower interest returns from easily accessible savings accounts. The organization has £250,000 invested in a 30 day notice account.

PLANS FOR FUTURE PERIODS

This has been an extraordinary year for all of us, and the next financial year (2021-22) will continue to be massively effected by the impact of the Covid 19 pandemic. As a result future planning has an even greater degree of uncertainty than usual. As things are now we know the pandemic has been a massive drain on the public finances - how, and how fast, the Government decides to address this will affect a range of VAL's funding streams. We are also facing uncertainty about the future income from office lettings and meeting room hire, as well as waiting for Government decisions on what will replace European funding.

VAL has managed to keep itself in a relatively strong financial position, and the positive recognition of our work with communities and volunteers through this year has improved our status as a valued local partner. In the coming year we will:

1. Seek a continuation of our contracts with the City and County Councils to provide support for local community and voluntary groups and support for volunteering (decisions due in September 2021 and March 2022)
2. Build on our vastly improved links to Health to enhance their recognition of the support that can be provided by local VCS groups and volunteers - in particular as the new Integrated Care System is established.
3. Maintain our VALUES service for people with learning disabilities, seeking to continue to grow the service steadily by 3% per year - attracting clients back post-pandemic.
4. Continue to deliver our Building Better Opportunities projects (GREAT, YES and WILL projects) all these projects are now extended to 2023. Develop a strategy to seek replacement funding from Government for our unemployment programmes.
5. Act proactively to provide excellent, flexible workspaces to rent and safe areas for people to meet.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the charity are:

Financial

- o Loss of major contracts - reducing overall income
- o Reduced public sector budgets resulting in lower value and fewer contracts
- o Fraud
- o Deficit on defined benefit pension scheme

Reputational

- o Failure to deliver contractual outcomes
- o Safeguarding issue not identified
- o Failure to follow legislative requirements

People

- o Loss of key personnel
- o Major unresolved customer complaint

The Trustee Board receive a risk report from the Chief Executive at every Board meeting. All risks are reviewed for their impact, likelihood and current dynamic to identify priority risks at any one time. There are a wide range of mitigating actions identified and implemented on a rolling basis.

Approved by order of the board of trustees on 8 December 2021 and signed on its behalf by:



.....
L M Jones - Trustee

**VOLUNTARY ACTION LEICESTER
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**TRUSTEES' REPORT
For The Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are to promote any charitable purposes for the benefit of the community in the City of Leicester and County of Leicestershire, and to promote and organise co-operation in the achievement of this purpose.

Our strategic priorities were reviewed by the Trustee Board early in 2020 who were guided by our commitment to the goal of helping people change their lives for the better. As a result the Trustee Board agreed the following three key aims:

1. VAL empowers and invests in people to enable them to improve their lives
2. VAL provides a voice for and supports local voluntary and community groups who strive to meet community needs in a changing environment
3. VAL brings together communities, the private and public sectors to improve local lives

Objects, strategies and activities

Voluntary Action Leicester (VAL) delivers a range of direct services to individuals in need as well as supporting a large number of local community and voluntary groups. The main activities we engage in to fulfil our charitable purposes and deliver public benefit are:

- o Assistance for unemployed or economically inactive people to get into work - with a focus on those furthest from the labour market.
- o Provision of support to people with a Learning Disability to live as independent and fulfilling lives as possible.
- o Supporting people to become volunteers in their community.
- o Providing information and support to local community and voluntary groups so they can thrive.

Public benefit

Our main activities and the individuals and communities we aim to help are described above. All our charitable activities focus on the involvement of people in the improvement of communities and are undertaken to further our charitable purposes for the public benefit. We do not limit access to our activities to people and groups within our geographic area of benefit and take steps to reduce barriers to access for individuals and groups through ensuring accessible venues, providing accessible materials, and running specific projects targeted at disadvantaged members of the public.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees considered how our planned activities contribute to the aims and objectives that they have set.

Use of Volunteers

The charity involves volunteers in a range of ways to enhance our service delivery:

- o Governance of the organisation through the Trustee Board;
- o Delivery of clerical and other support to VAL service delivery;
- o A scheme for supported volunteering of people with learning disabilities.
- o Supporting the local community in the pandemic and subsequently supporting the vaccination drive

We have a full range of policies and procedures in place to ensure this involvement is successful and beneficial to all parties. VAL is a recognised Investor in Volunteers (a national standard managed by the National Council for Voluntary Organisations (NCVO)).

Employment of disabled persons

As part of our recognition as an investor in people we have well established mechanisms for the involvement of employees. Our premises are fully accessible for people with disabilities, and there were 19% of employees with declared disabilities employed during the year.

Going concern

No material uncertainties that may cast significant doubt upon the ability of the Charity to continue as a going concern have been identified by the Trustees. Therefore the accounts are prepared on the going concern basis.

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**TRUSTEES' REPORT
For The Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a charitable company limited by guarantee and was set up on 20 May 1965 as an unincorporated organisation. It was incorporated as a company limited by guarantee on 14 March 1978, and is governed by a memorandum and articles of association, which were last amended in January 2009 to extend our area of benefit.

The organisation was registered as a charity on 31 October 1979.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles the members of the Trustee Board are elected by the membership to serve a maximum period of 3 years before being eligible for re-election (Trustees can serve a total of three 3 year terms before a break in service is required). Honorary Officers are elected from amongst the Trustees, by the Trustees at their first meeting after the AGM.

Recruitment and appointment of new trustees

Our Trustee Board members are all members of the charity (either individual members or nominated representatives of group members). Membership is open to community and voluntary groups in the City of Leicester and the County of Leicestershire, and to individuals who support our charitable objects. Currently there are 536 voluntary and community groups in membership. The Trustee Board recruit new Trustees through seeking nomination from members and/or openly advertising in the local press. Prospective Trustees are interviewed by a panel of three existing trustees. Any proposed new appointments have to be endorsed by the membership at Annual General Meeting. The Trustees have the power to co-opt up to three further Trustees and to fill casual vacancies arising through the year.

Organisational structure

The Trustee Board comprises up to 18 trustees who appoint three honorary officers from their number. The Trustee Board currently meet monthly and take all strategic decisions of the charity as well as monitor progress against our activity and financial plans.

Induction and training of new trustees

All Trustee Board members receive induction training, and then identified further training to enable them to fulfil their role as Trustees. All trustees receive an induction pack that contains information on the charity and guidance on their roles as charity trustees and company directors.

Arrangements for setting key management personnel remuneration

The Trustee Board sets targets for the Chief Executive each year - and monitors their progress against these targets. Subject to this performance, the financial health of the charity, and a review of the salary market for charity Chief Executives, the Trustee Board may determine to alter the remuneration of the Chief Executive.

Relationships with Related Parties

The charity is a member of two national voluntary sector umbrella bodies, namely National Association of Voluntary and Community Action (NAVCA) and National Council for Voluntary Organisations (NCVO). These bodies provide best practice advice and link to national policy.

Financial instruments

Objectives and policies

The Charity's activities expose it to financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies governed by the board of trustees which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit Risk

The charity's principal financial assets are bank balances and cash, trade or other receivables, and investments. The Charity's credit risk is primarily related to its trade receivables. The amounts presented in the balance sheet are net of allowances, for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Charity uses a mixture of long term and short term debt finance. Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

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**TRUSTEES' REPORT
For The Year Ended 31 March 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 8 December 2021 and signed on its behalf by:



.....
L M Jones - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VOLUNTARY ACTION LEICESTER
KNOWN AS
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Opinion

We have audited the financial statements of Voluntary Action Leicester known as Voluntary Action Leicestershire (VAL) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VOLUNTARY ACTION LEICESTER
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Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VOLUNTARY ACTION LEICESTER
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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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Richard Buckby FCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Chartered Accountants and Statutory Auditor
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: **18.01.2022**

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	649	2,518	3,167	185
Charitable activities	4	1,089,450	1,366,341	2,455,791	2,813,269
Investment income	3	<u>117,410</u>	<u>-</u>	<u>117,410</u>	<u>219,315</u>
Total		1,207,509	1,368,859	2,576,368	3,032,769
EXPENDITURE ON					
Raising funds	5	148,746	-	148,746	184,339
Charitable activities	6	<u>908,899</u>	<u>1,415,836</u>	<u>2,324,735</u>	<u>2,742,757</u>
Total		<u>1,057,645</u>	<u>1,415,836</u>	<u>2,473,481</u>	<u>2,927,096</u>
NET INCOME/(EXPENDITURE)		149,864	(46,977)	102,887	105,673
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>(1,680,000)</u>	<u>-</u>	<u>(1,680,000)</u>	<u>710,000</u>
Net movement in funds		(1,530,136)	(46,977)	(1,577,113)	815,673
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,007,815</u>	<u>434,823</u>	<u>1,442,638</u>	<u>626,965</u>
TOTAL FUNDS CARRIED FORWARD		<u>(522,321)</u>	<u>387,846</u>	<u>(134,475)</u>	<u>1,442,638</u>

The notes form part of these financial statements

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL) (REGISTERED NUMBER: 01357513)**

**BALANCE SHEET
31 March 2021**

		2021 £	2020 £
FIXED ASSETS	Notes		
Tangible assets	13	2,440,844	2,468,034
CURRENT ASSETS			
Debtors	14	141,447	144,785
Cash in hand		<u>924,733</u>	<u>848,136</u>
		1,066,180	992,921
CREDITORS			
Amounts falling due within one year	15	<u>(239,528)</u>	<u>(225,359)</u>
NET CURRENT ASSETS		<u>826,652</u>	<u>767,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,267,496	3,235,596
CREDITORS			
Amounts falling due after more than one year	16	(211,971)	(282,958)
PENSION LIABILITY	20	(3,190,000)	(1,510,000)
NET ASSETS		<u><u>(134,475)</u></u>	<u><u>1,442,638</u></u>
FUNDS	19		
Unrestricted funds		(923,237)	600,685
Revaluation reserve fund		400,916	407,130
Restricted funds		<u>387,846</u>	<u>434,823</u>
TOTAL FUNDS		<u><u>(134,475)</u></u>	<u><u>1,442,638</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 December 2021 and were signed on its behalf by:



.....
L M Jones - Trustee

The notes form part of these financial statements

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**CASH FLOW STATEMENT
For The Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	212,511	333,372
Interest paid		<u>(11,013)</u>	<u>(13,637)</u>
Net cash provided by operating activities		<u>201,498</u>	<u>319,735</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,321)	-
Interest received		<u>205</u>	<u>128</u>
Net cash (used in)/provided by investing activities		<u>(26,116)</u>	<u>128</u>
Cash flows from financing activities			
Loan repayments in year		<u>(98,785)</u>	<u>(68,723)</u>
Net cash used in financing activities		<u>(98,785)</u>	<u>(68,723)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		76,597	251,140
Cash and cash equivalents at the beginning of the reporting period		<u>848,136</u>	<u>596,996</u>
Cash and cash equivalents at the end of the reporting period		<u>924,733</u>	<u>848,136</u>

The notes form part of these financial statements

VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	102,887	105,673
Adjustments for:		
Depreciation charges	53,511	54,966
Interest received	(205)	(128)
Interest paid	11,013	13,637
Decrease in debtors	3,338	183,199
Increase/(decrease) in creditors	<u>41,967</u>	<u>(23,975)</u>
Net cash provided by operations	<u><u>212,511</u></u>	<u><u>333,372</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>848,136</u>	<u>76,597</u>	<u>924,733</u>
	<u>848,136</u>	<u>76,597</u>	<u>924,733</u>
Debt			
Debts falling due within 1 year	(68,732)	27,798	(40,934)
Debts falling due after 1 year	<u>(282,958)</u>	<u>70,987</u>	<u>(211,971)</u>
	<u>(351,690)</u>	<u>98,785</u>	<u>(252,905)</u>
Total	<u><u>496,446</u></u>	<u><u>175,382</u></u>	<u><u>671,828</u></u>

The notes form part of these financial statements

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

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. The principal estimates and judgements that could have a significant effect upon the charity's financial results relate to:

Useful economic lives of tangible fixed assets - The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount of the tangible fixed assets is shown in note 13 and note 1 gives the useful economic lives for each class of assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services and facilities

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Investment income

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Government grants

Government grants relating to the Coronavirus Job Retention Scheme are recognised in income in the period in which it becomes receivable under the performance model.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee meetings and reimbursed expenses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 5% - 25% straight line

Tangible fixed assets other than freehold properties are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Fixed assets costing £2,000 or more are initially recorded at cost.

Revaluation of tangible fixed assets

Freehold property is carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market-based evidence normally undertaken by a professionally qualified valuer or where appropriate by the board of trustees on an open market value for existing use basis.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the charity are provided by the Local Government Pension Scheme ('LGPS'). This is a defined benefit scheme.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to other recognised gains and losses are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The charity also operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Financial instruments

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Going concern - COVID 19

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the trustees consider the going concern assumption to still be appropriate.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations and gifts	<u>3,167</u>	<u>185</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Rental income	115,835	113,231
Room hire income	1,370	105,956
Deposit account interest	<u>205</u>	<u>128</u>
	<u>117,410</u>	<u>219,315</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds - General	Restricted funds	2021	2020
	£	£	£	£
Support services for VCS groups and volunteers	552,888	115,415	668,303	665,127
Health and social care related services (adults)	428,754	-	428,754	504,443
Children, young people and families services	-	641,984	641,984	793,065
Support to get people into employment or training	-	608,942	608,942	845,469
Training courses	(200)	-	(200)	4,808
ICT income	-	-	-	325
Consultancy income	850	-	850	32
Coronavirus Job Retention Scheme	<u>107,158</u>	<u>-</u>	<u>107,158</u>	<u>-</u>
	<u>1,089,450</u>	<u>1,366,341</u>	<u>2,455,791</u>	<u>2,813,269</u>

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

5. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Staff costs	<u>59,126</u>	<u>95,129</u>

Other trading activities

	2021	2020
	£	£
Shared costs	<u>89,620</u>	<u>89,210</u>

Aggregate amounts	<u>148,746</u>	<u>184,339</u>
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6. CHARITABLE ACTIVITIES COSTS

	Unrestricted funds - General	Restricted funds	2021	2020
	£	£	£	£
Support services for VCS groups and volunteers	468,029	148,729	616,758	617,334
Health & social care related services (adults)	440,699	-	440,699	471,217
Children, young people and families services	-	645,191	645,191	808,073
Support to get people into employment or training	171	621,916	622,087	846,133
	<u>908,899</u>	<u>1,415,836</u>	<u>2,324,735</u>	<u>2,742,757</u>

7. GOVERNANCE COSTS

	2021	2020
	£	£
Audit fees	<u>6,700</u>	<u>6,400</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Audit of financial statements	6,700	6,400
Depreciation - owned assets	53,511	54,966
Finance charges payable	<u>11,547</u>	<u>13,637</u>

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

No trustees' received reimbursed travel expenses during the year ended 31 March 2021 (2020: one trustee received £5 in reimbursed travel expenses).

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,565,038	1,633,564
Social security costs	121,967	122,349
Other pension costs	<u>166,911</u>	<u>269,511</u>
	<u><u>1,853,916</u></u>	<u><u>2,025,424</u></u>

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

	2021	2020
Charitable activities	50	54
Administration	6	3
Trading	<u>4</u>	<u>5</u>
	<u><u>60</u></u>	<u><u>62</u></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	<u>1</u>	<u>1</u>

Contributions to the employee pension scheme for the year totalled £166,911 (2020 - £269,511).

The total employee benefits of the key management personnel of the charity were £222,828 (2020: £219,534).

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	185	-	185
Charitable activities	1,236,173	1,577,096	2,813,269
Investment income	219,315	-	219,315
Total	1,455,673	1,557,096	3,032,769
EXPENDITURE ON			
Raising funds	184,339	-	184,339
Charitable activities	1,113,847	1,628,910	2,742,757
Total	1,298,186	1,628,910	2,927,096
NET INCOME/(EXPENDITURE)	157,487	(51,814)	105,673
Other recognised gains/(losses)			
Actuarial gains/(losses) on defined benefit schemes	710,000	-	710,000
Net movement in funds	867,487	(51,814)	815,673
RECONCILIATION OF FUNDS			
Total funds brought forward	140,328	486,637	626,965
TOTAL FUNDS CARRIED FORWARD	<u>1,007,815</u>	<u>434,823</u>	<u>1,442,638</u>

12. TAXATION

The charity is a registered charity and is therefore exempt from taxation.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2020	2,500,000	81,372	2,581,372
Additions	-	26,321	26,321
At 31 March 2021	<u>2,500,000</u>	<u>107,693</u>	<u>2,607,693</u>
DEPRECIATION			
At 1 April 2020	50,000	63,338	113,338
Charge for year	<u>50,000</u>	<u>3,511</u>	<u>53,511</u>
At 31 March 2021	<u>100,000</u>	<u>66,849</u>	<u>166,849</u>
NET BOOK VALUE			
At 31 March 2021	<u>2,400,000</u>	<u>40,844</u>	<u>2,440,844</u>
At 31 March 2020	<u>2,450,000</u>	<u>18,034</u>	<u>2,468,034</u>

**VOLUNTARY ACTION LEICESTER
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VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

13. TANGIBLE FIXED ASSETS - continued

The freehold property was revalued at 31 March 2019 by Innes England in accordance with RICS Valuations - Global Standards 2017.

If freehold property had not been included at valuation, it would be valued at the following amounts:

	2021 £	2020 £
Cost	3,060,519	3,060,519
Accumulated depreciation	(1,090,071)	(1,028,861)
Net book value	<u>1,970,448</u>	<u>2,031,658</u>

Voluntary Action Leicester owns the freehold of the premises from which it operates. The building is utilised by the charity as its head office. Rooms are let throughout the year to generate income for the charity to support its activities.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	99,885	93,723
Other debtors	3,569	1,973
Prepayments	6,363	5,614
Accrued income	<u>31,630</u>	<u>43,475</u>
	<u>141,447</u>	<u>144,785</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 17)	40,934	68,732
Trade creditors	45,047	36,018
Social security and other taxes	30,979	31,767
VAT	35,274	37,615
Other creditors	33,711	40,426
Accruals and deferred income	<u>53,583</u>	<u>10,801</u>
	<u>239,528</u>	<u>225,359</u>

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

	2021 £	2020 £
Bank loans (see note 17)	<u>211,971</u>	<u>282,958</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank loans	<u>40,934</u>	<u>68,732</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>179,442</u>	<u>203,092</u>
Amounts falling due in more than five years:		
Bank loans > 5 years	<u>32,529</u>	<u>79,866</u>

Bank loans are secured by a fixed charge on the property and attached fixtures, plant and machinery.

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	2,093,115	347,729	2,440,844	2,468,034
Current assets	1,026,063	40,117	1,066,180	992,921
Current liabilities	(239,528)	-	(239,528)	(225,359)
Long term liabilities	(211,971)	-	(211,971)	(282,958)
Pension liability	<u>(3,190,000)</u>	<u>-</u>	<u>(3,190,000)</u>	<u>(1,510,000)</u>
	<u>(522,321)</u>	<u>387,846</u>	<u>(134,475)</u>	<u>1,442,638</u>

19. MOVEMENT IN FUNDS

	At 1 April 2020 £	Incoming resources £	Resources expended £	Gains / (losses) transfers £	At 31 March 2021 £
Unrestricted funds					
General fund	2,015,685	1,207,509	(1,057,645)	6,214	2,171,763
Pension reserve	<u>(1,510,000)</u>	<u>-</u>	<u>-</u>	<u>(1,680,000)</u>	<u>(3,190,000)</u>
	<u>505,685</u>	<u>1,207,509</u>	<u>(1,057,645)</u>	<u>(1,673,786)</u>	<u>(1,018,237)</u>
Designated					
Equipment reserve	25,000	-	-	-	25,000
Redundancy reserve	50,000	-	-	-	50,000
Property maintenance reserve	20,000	-	-	-	20,000
	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,000</u>
Total unrestricted funds	<u>600,685</u>	<u>1,207,509</u>	<u>(1,057,645)</u>	<u>(1,673,786)</u>	<u>(923,237)</u>
Revaluation reserve fund					
Fixed asset reserve	407,130	-	-	(6,214)	400,916
Total revaluation reserve	<u>407,130</u>	<u>-</u>	<u>-</u>	<u>(6,214)</u>	<u>400,916</u>
Restricted funds					
9 Newarke Street	394,621	-	(46,892)	-	347,729
YES Project	5,054	641,984	(645,191)	-	1,847
GREAT Project	31,402	451,503	(464,852)	-	18,053
ESF - Leicester Employment Hub	-	25,126	(25,126)	-	-
Will - Work in Live Leicestershire	1,019	132,313	(131,719)	-	1,613
Social Investment Ready Leicester	2,727	-	(2,727)	-	-
DWP - Economic Impact	-	75,755	(75,755)	-	-
Will donations	-	1,518	(219)	-	1,299
YES donations	-	1,000	-	-	1,000
VCSE Insights	-	39,660	(23,355)	-	16,305
	<u>434,823</u>	<u>1,368,859</u>	<u>(1,415,836)</u>	<u>-</u>	<u>387,846</u>
TOTAL FUNDS	<u>1,442,638</u>	<u>2,576,368</u>	<u>(2,473,481)</u>	<u>(1,680,000)</u>	<u>(134,475)</u>

**VOLUNTARY ACTION LEICESTER
KNOWN AS
VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1 April 2019	Incoming resources	Resources expended	Gains / (losses) transfers	At 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General fund	1,858,198	1,455,673	(1,298,186)	-	2,015,685
Pension reserve	(2,220,000)	-	-	710,000	(1,510,000)
	(361,802)	1,455,673	(1,298,186)	710,000	505,685
Designated					
Equipment reserve	25,000	-	-	-	25,000
Redundancy reserve	50,000	-	-	-	50,000
Property maintenance reserve	20,000	-	-	-	20,000
	95,000	-	-	-	95,000
Total unrestricted funds	(266,802)	1,455,673	(1,298,186)	710,000	600,685
Revaluation reserve fund					
Fixed asset reserve	407,130	-	-	-	407,130
Total revaluation reserve	407,130	-	-	-	407,130
Restricted funds					
9 Newarke Street	441,513	-	(46,892)	-	394,621
YES Project	11,493	655,914	(662,353)	-	5,054
GREAT Project	12,882	678,392	(659,872)	-	31,402
ESF - Leicester Employment Hub	-	49,073	(49,073)	-	-
WiLL - Work in Live Leicestershire	14,949	118,004	(131,934)	-	1,019
Social Investment Ready Leicester	5,800	11,400	(14,473)	-	2,727
DWP - Economic Impact		64,313	(64,313)	-	-
	486,637	1,577,096	(1,628,910)	-	434,823
TOTAL FUNDS	626,965	3,032,769	(2,927,096)	710,000	1,442,638

The specific purposes for which the funds are to be applied are as follows:

9 Newarke Street

The fund represents the historic cost of the property at 9 Newarke Street. Expenditure charged to the fund is depreciation on the building.

YES project

Youth Employability Support programme assisting young people (under 25) in Leicester and Leicestershire into work or training. The programme is jointly funded by The National Lottery Community Fund and European Social Investment Fund.

GREAT project

Getting Ready for Employment And Training programme assisting families in Leicester and Leicestershire into work or training. The programme is jointly funded by The National Lottery Community Fund and European Social Investment Fund.

**VOLUNTARY ACTION LEICESTER
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VOLUNTARY ACTION LEICESTERSHIRE (VAL)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

19. MOVEMENT IN FUNDS - continued

ESF - Leicester Employment Hub

VAL is a delivery partner for the Leicester Employment Hub, a project funded by the European Social Fund that supports people to find short term volunteering opportunities to help them gain work experience, develop their skills and explore new career prospects.

WILL - Work in Live Leicestershire

A Building Better Opportunities programme working with participants to move them closer to employability or training via volunteering.

Social Investment Ready Leicester

A programme to train our staff to understand the social investment in the area in more detail and then use this knowledge to create social investment programmes to benefit the local communities.

DWP – Economic Impact

A European funded programme (through the Department for Work and Pensions as managing agent) that provides technical assistance to local groups seeking to secure European Funding.

Will Donations

A public donation that the donor specifies must be utilised to the benefit of the Will project.

YES Donations

A corporate donation gifted for the benefit of participants of the YES project.

VCSE Insights

The VCSE Insights Project is a project that enables VAL to speak to and understand the needs of our local VCS groups during the COVID-19 pandemic. Information given will help to shape VAL services to support, give advice and guide the local voluntary sector as well as help with their urgent needs. The project is funded by The National Lottery Community Fund's COVID-19 Emergency Fund.

**VOLUNTARY ACTION LEICESTER
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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

20. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit pension schemes

LGPS

The Charity operates a defined benefit pension scheme; the scheme was closed to new members in 2013. The amounts in the financial statements for the year ending 31 March 2021, relating to pensions, are based on a full actuarial valuation dated 31 March 2019.

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Present value of funded obligations	(9,256,000)	(6,433,000)
Fair value of plan assets	<u>6,066,000</u>	<u>4,923,000</u>
	(3,190,000)	(1,510,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(3,190,000)</u>	<u>(1,510,000)</u>
Net liability	<u>(3,190,000)</u>	<u>(1,510,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	125,000	143,000
Net interest from net defined benefit asset/liability	35,000	55,000
Past service cost	<u>-</u>	<u>-</u>
	<u>160,000</u>	<u>198,000</u>
Actual return on plan assets	<u>1,105,000</u>	<u>(623,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	6,433,000	7,609,000
Current service cost	125,000	143,000
Contributions by scheme participants	25,000	25,000
Interest cost	149,000	192,000
Actuarial losses/(gains)	2,602,000	(1,473,000)
Benefits paid	<u>(78,000)</u>	<u>(63,000)</u>
	<u>9,256,000</u>	<u>6,433,000</u>

**VOLUNTARY ACTION LEICESTER
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**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021**

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	4,923,000	5,389,000
Contributions by employer	91,000	195,000
Contributions by scheme participants	25,000	25,000
Expected return	114,000	137,000
Actuarial gains/(losses)	991,000	(760,000)
Benefits paid	(78,000)	(63,000)
	<u>6,066,000</u>	<u>4,923,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Actuarial gains/(losses)	<u>(1,680,000)</u>	<u>710,000</u>
	<u>(1,680,000)</u>	<u>710,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Equities	3,700,000	2,757,000
Bonds	1,577,000	1,575,000
Property	425,000	443,000
Cash	<u>364,000</u>	<u>148,000</u>
	<u>6,066,000</u>	<u>4,923,000</u>

The pension scheme has not invested in any of the charity's own financial instruments or in properties or other assets used by the charity.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
Discount rate	2.05%	2.30%
Future salary increases	3.30%	2.30%
Future pension increases	2.80%	1.80%

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	21.7	21.5
Current UK pensioners at retirement age - female	24.2	23.8
Future UK pensioners at retirement age - male	22.6	22.2
Future UK pensioners at retirement age - female	25.9	25.2

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NOTES TO THE FINANCIAL STATEMENTS - continued
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21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021 and 31 March 2020.