

ROYAL VOLUNTARY SERVICE

**TRUSTEES' ANNUAL REPORT AND ACCOUNTS
YEAR ENDING 26 MARCH 2017
CHARITY NUMBER 1015988
CHARITY NUMBER (SCOTLAND) SCO38924
COMPANY NUMBER 2520413**



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We are pleased to set out Royal Voluntary Service's Trustees' Annual Report and Accounts for 2016–17. We start with a message from our Chair, Richard Greenhalgh.

In a difficult year for charities, Royal Voluntary Service has continued to successfully inspire and enable the gift of voluntary service to meet the needs of older people and has made much progress in achieving the objectives set at the end of the last financial year.

We've achieved much in the year thanks largely to our volunteers and employees who have worked tirelessly up and down Great Britain to help the charity achieve its ambition of enriching the lives of two million older people by 2023. Loneliness and isolation in older people remains at the forefront of society's challenges; the work of Royal Voluntary Service and its dedicated volunteers is even more vital given the increasing ageing population and the reductions in public spending. Royal Voluntary Service remains steadfast therefore in striving towards its ambition.

This is not without challenge. The last year has witnessed the stark reality of the 2015 Comprehensive Spending Review depriving local authorities and the NHS of the crucial resources required to cope with the considerable demands of an older population. Combined with much needed reform around marketing practices, this presents a real challenge to income to everyone in the sector, including Royal Voluntary Service.

It has been clear to Royal Voluntary Service that it must do all that it can to respond positively and proactively to this changing world. Much of last year's work has therefore been focused on future-proofing the charity. Real emphasis has been placed on developing and testing volunteer led models to not only expand the reach and impact of our work but to do so in a way intended to bring financial sustainability to community models for many years to come.

We have tested our strategic thinking in two important initiatives in Hull and Staffordshire. Results have been pleasing and allowed us to think about redefining our activities into those that support delivery of commissioned services and those that enable social action. This is an exciting redefinition for everyone associated with Royal Voluntary Service and we must now channel our efforts to scaling up these models with the target of reaching two million older people by 2023 firmly in mind.

Our retail activities under the wing of the NHS continue to benefit patients, their families and carers. We are grateful to everyone in the NHS for their continued support and recognition of the value we bring to hospital environments. The link with the NHS and its people is fundamental to us. It continues our founder's concern with social welfare and helps us deliver our charitable mission. In Scotland, where we are the nation's largest NHS retailer, we have been the first and only retailer to meet the Scottish Healthcare Retail Standard in all units and are also proud to have been recognised as "highly commended" by Catering in Scotland. In England and Wales we have also met all of the CQUIN healthy food criteria across all of our estate and are supporting individual Trusts in their provision of healthier food for their people. We have also been able to launch a much needed investment programme to refurbish our retail units. I also continue to see the deep commitment which our volunteers deliver in all of our hospital units; our trolley services wheeled with a kind word to bedsides and wards remain hugely valued.

Of course, none of this could be contemplated without the enormous contribution of our many tens of thousands of dedicated and selfless volunteers. We remain as committed to the ethic of voluntary service as we were when we were founded nearly 80 years ago. It has been an absolute pleasure to

award yet more long service badges and awards to so many volunteers and also to confer medals under the authority of our Patron, Her Majesty, The Queen.

Support from each and every individual donor and sponsor has been hugely valuable. One particular donation from the Jo Cox Memorial Fund came to us following the tragic death of Jo Cox, MP for Batley and Spen who had been a passionate supporter of our cause. The donation will be spent in Jo's constituency on community services supporting older people and we hope will provide a lasting legacy in her name.

There are so many people who do so much for Royal Voluntary Service and I thank everyone for their contribution. Our President, HRH The Duchess of Cornwall has been a staunch supporter lending her cheerful support to many of our events, including attending a vintage tea party with some of our volunteers in Bristol. It has also been an honour to work with our ambassadors who support us in promoting our activities. Special mention must go this year to Patricia Routledge CBE, who has supported us in a myriad of ways throughout the year including presenting our Crowdfunding video to raise funds for the digitisation of our wartime records and speaking at our Grosvenor Chapel Christmas event. Wayne Sleep OBE also helped launch our annual Grandfest event and highlighted our "1 million minutes" campaign supported by Good Morning Britain. I must also thank all our trustees, particularly Sylvia Fox, Alexis Jay and Bill Shannon who left during the year but always gave of their time freely and willingly. I am sure our new trustees, Sophie Livingstone and Josephine Swinhoe will continue their work.

Since the end of the year we have said goodbye to our Chief Executive Officer, David McCullough after five and half years at the helm of the charity. David has embodied the strengths of our founder, Lady Reading, demonstrating excellent leadership, promoting volunteering, and having the needs of older people always in his sights. He will be missed. David's successor, Catherine Johnstone (who had been with us as Trustee since early 2017) joined us on 1 August 2017 bringing a wealth of experience in volunteering, service delivery and social action and from her time as CEO of Samaritans. We welcome her and offer her every support in her new role.

The necessarily prudent financial behaviour of the last few years has delivered the charity a 2016-17 surplus of £1.2m and a welcome increase in our reserves. This gives us opportunity to approach potential investment in key strategic areas with confidence and I am confident that the stabilised financial situation provides a solid platform for future growth. Do keep in touch with us during the next year at www.royalvoluntaryservice.org.uk or by following us on Facebook or Twitter. Better still, join our cause and enquire about becoming a volunteer, a donor or beneficiary – we would love to hear from you.



With best wishes
Richard Greenhalgh, Chair

TRUSTEES' REPORT INCLUDING STRATEGIC REPORT

OUR PURPOSE AND MISSION

The fundamental purpose of Royal Voluntary Service has not changed since its inception in 1938 and remains as described by our founder, Lady Reading in 1950 - *"to inspire and enable the gift of voluntary service to meet the needs of the day"*. Today, we believe the biggest social need is to ensure older people live a fulfilled life and we are enthusiastic as ever in our efforts to make that a reality.

We believe this is the biggest social need because research tells us that the population is ageing faster than might be realised. In the next 20 years, people aged 80 and over will more than double to 6 million. This is a significant social challenge particularly as the extra years are not always spent in good health. Problems of loneliness and isolation are very real.

Volunteers provide significant contribution and support to our activities in all areas of the charity. We have a consistent cohort of around 18,000 active community volunteers and another 7,000 in our retail environment. This returns to the charity the benefit of around 500,000 working days a year. Our volunteers have supported an enormous plethora of activities which bring older people together to enjoy each other's company – a few examples of the many include community gardening, lunch clubs, food and drink centred activities, Tai Chi, woodworking and metal work and film clubs. Over 660 activities have run through the year all over the country.

The role of the State is changing with public money in short supply. More people need our help and this means we have had to rethink what we do and the way we do it. The good news is that we have an existing volunteer base that is committed to the charity and what we do and many of those volunteers tell us they would like to do more. Time spent thinking about what older people need and want and how we can support that has helped direct our way forward.

We know that the experience of ageing can change by being active and staying connected. Social connections are as important as exercise in staying healthy. Group activities are what older people say they would like to do and we know that volunteering can, itself, be beneficial in staying active and connected. These thoughts informed the three major areas of strategic importance - "Deliver More Impact", "Grow Retail" and "Build One RVS" - that last year were identified as objectives for the years ahead. We also identified a strategic fundraising objective as crucial to support the charity's financial welfare.

OUR STRATEGIC ACTIVITIES AND OBJECTIVES including achievements and performance

Key Performance

The year has been a successful one for the charity and detail is provided below. Key performance statistics, apart from financially achieving the budgets, have included:

- 1.2m interactions with older people (2015-16: 1.4m)
- £8.3m income from voluntary donations and activities for generating funds (2015-16: £5.9m)
- 901,386 website visits (2015-16: 902,000)
- 15,315 on line volunteering enquires (2015-16: 16,724).

Deliver More Impact

In order to expand our reach and impact we have decided to continue to provide an array of services and activities in both the commissioned and social action environments.

In commissioned services, often funded by local authorities or NHS Trusts and Health Boards, we are redefining and developing our existing services in the context of three core offers; Supporting Your Recovery, Supporting You at Home and Supporting Healthy and Happy Lives.

- Supporting Your Recovery is aimed at those that experience a planned or unplanned hospital admission, giving support on the ward or when home from hospital to recover and/or prevent further decline. Being in a dementia or age friendly environment can significantly help improve health and well-being, and reduce the length of stay;
- Supporting You at Home can be a step up from illness or injury and can restore independence. Regular one to one support can help build confidence as well as opportunities to develop physical and mental strength;
- Supporting Healthy and Happy Lives is a group approach working in the community to support older people living with particular conditions, such as frailty and cognitive impairment, to improve their health and emotional well-being. We have designed an evidence based set of activities, which will help those who might need a bit more support to live well.

There are focussed themes of work that run through all three of these offers; nutrition and hydration, balance and mobility; cognitive stimulation. The aim is to help older people strengthen their own personal resilience to cope better with life events and enable them to live healthier, happier lives independently and on their own terms.

We have however seen a material decline in our meals on wheels activities as more people choose to use online food orders and local authorities continue to commission fewer services. We continue to support meals on wheels options where we can and to support the companionship element via our growing volunteer led activities. One example of this is our work in Thurrock where our relationship with Thurrock Borough Council continues to thrive; during the year we delivered 46,600 meals to an average of 183 people a month.

In social action, we must connect those that need help, with those that are able to help, and connect both groups to activities they value. We want to do this by supporting volunteers to start the clubs and groups their own communities want, backed by our experienced teams. Volunteering can be as effective in determining health and wellbeing as any support received from volunteers. It makes sense to invest in enabling volunteer led and delivered activities to help us reach more people. We tested these ideas in Hull and East Yorkshire and Stoke on Trent using a new campaign to encourage volunteers to set up and run activities they wanted for their community. We provided differently sourced support structures to test the best way we could open up our expertise to help them. Both produced exciting results and significant learnings which are informing the further development of our strategy.

The potential for this new volunteer led and delivered model has been witnessed in the way our volunteers have stepped forward in the many locations where, sadly, external funding came to an end in the year. By working with existing volunteers to transition their activities so that they are under their own stewardship supported by us where appropriate, we have been able to ensure that 87% of services that were at risk of closure have continued.

Other significant activities and achievements have included:

- conversations with many local partners regarding the best way to help older people using the £500,000 received after the tragic death of Jo Cox. This recognises our relationship with her and the spark her compassionate nature provided to start thinking about a programme in her constituency;
- our involvement with the Mens Sheds initiative which has proved hugely popular. During the year, the charity supported the creation and development of 23 sheds in as many locations. This expansion of reach has been enormously helped by financial support from the ASDA Foundation which provided us with £178,000 of funding during the year;
- elsewhere we have connected with other charities to deliver services as part of consortia. Our continued work during the year with Addaction on the 'Drink Wise, Age Well' programme of services, as funded by a Big Lottery Grant – Rethink Good Health, has helped recipients in Devon, Glasgow, Rhondda Cynon Taff and Sheffield. Another collaboration with The British Red Cross has secured 3 years funding from the Welsh Government and Big Lottery Fund worth £2.3m of which the charity has received £0.9m. The collaboration will deliver pan Wales services for vulnerable older people and will build on the expertise and experience of both organisations. The partnership is called Positive Steps and was launched on 1 April 2016.

Grow Retail

In order to secure and grow the volunteering opportunities and income generated from our NHS based hospital shops, cafe and trolley operations we have created an Investment Fund as detailed below.

In our hospital units, volunteering gives local people a two-fold opportunity to give something back to their local community – the chance to help those in the hospital and the opportunity to raise funds to contribute to the local hospital for channelling back into the local community. It is sensible to invest in making these units welcoming to volunteers and visitors and to support the units so they can achieve their best potential.

We have operated over 230 units in hospitals throughout England, Scotland and Wales some of which facilitate our ever popular trolley services.

This year we returned £3.4m (defined as grants in note 6 of the consolidated accounts) to various NHS bodies all of which was generated by our occupation of NHS based sites. We have worked hard to build strong and lasting relationships with the NHS and to secure new occupational arrangements. All of these efforts have led to a 75% reduction in the number of units closed during the year compared to the previous year.

Using the Investment Fund of £0.8m we have made real progress with our refurbishment programme, our Healthy Eating arrangements in Scotland and our new retail formats. These combine to give our units a fresh new look, making them great places to visit and volunteer. In particular, during the year we have used the Investment Fund to:

- refurbish three of our largest units as trial sites for each of our three new exciting and modern Royal Voluntary Service formats marking our commitment to the new direction of our retail estate:

- ❖ Tea & Co - is our mainstay café brand. This offers a fresh and comforting café environment, was trialled in our Bournemouth unit and then launched in our Kingston site. The Kingston Tea & Co has more than doubled average turnover and improved margins;
- ❖ ReVitalise The Healthier Choice - is a sub-brand which provides healthy food and healthy eating choices right at the heart of the NHS. We have successfully refurbished our unit at the Western General Hospital in Edinburgh and feedback is positive;
- ❖ Shop & Co - also a sub-brand which provides a convenience shop type product. Donald Cameron, Scottish Shadow Cabinet Secretary for Health and Sport, cut the ribbon at the opening of our first Shop & Co in Hairmyres hospital;
- put the final touches on the rebranding of our retail estate. All of our sites now proudly display the charity's up-to-date name, logo, colours and branding and our trolleys should also soon be fully rebranded to cement the new look and feel of our retail offering.

Build One RVS

"Building One RVS" means common and consistent culture and values across the group and the adoption of professional management practices to improve the volunteer and employee journey through the organisation.

We have pledged to our people that Royal Voluntary Service will:

- recognise the gift that volunteers and employees bring;
- create an environment free of red tape where people can make great things happen simply;
- work hard to make the volunteering and working experience the best it can possibly be;
- provide an understanding, collaborative environment where people can flourish;
- give people the tools, support and confidence they need to do the job they do;
- encourage potential leaders to step forward, roll up their sleeves, inspire others and help us achieve what we need to do;
- keep things simple and tell it as it is.

To embark on this, we have conducted an externally-hosted national employee and volunteer survey sent to every employee and volunteer to capture their valuable feedback and take a temperature check of the organisation. Results have shown the extent of the work needed to bring about a suitable and appropriate culture underpinned by our key values. Several outstanding values are prevalent amongst our volunteers and employees and during the year we have recognised these values and started to describe them as:

- Care and Protect
- Stronger Together
- Better When Simple
- Spark Brilliance
- Step Forward.

We have also been working hard behind the scenes to review and update some of the very necessary supporting policies and procedures. Revisions of our Data Protection, Whistleblowing, Anti-Corruption and Bribery have been implemented to best support those that use them and need guidance on these sorts of issues and a comprehensive review of our Safeguarding toolkit is in progress. In particular, we have started to prepare for the introduction of the new data protection rules under the EU General Data Protection Regulations ("GDPR") which will be effective from May 2018.

Fundraising

It is recognised that the charity must adapt in a changing world. While strengthening existing fundraising streams, the charity must consider investment in other areas, always ensuring it demonstrates appropriate behaviours in how it goes about that.

We're hugely grateful to players of People's Postcode Lottery for the funds they have raised for our work. During the year, Royal Voluntary Service benefitted from four draws managed by People's Postcode Lottery, which generated £2.7m for our work with older people. This funding has supported our community services across Great Britain, helping us to reach over 34,000 older people. It's also enabled us to invest in developing and testing new ways of working, so that we can support more volunteers to develop and run activities for older people in their neighbourhoods. This will have a long term impact on our ability to help older people stay active and connected to their communities.

During the year we put in place:

- several new structural pillars to ensure that our fundraising is appropriate and represents best practice. We introduced a new Older Peoples' Panel populated by representatives from our fundraising team, those that we help and volunteers. They meet to review and discuss our fundraising materials. We also review our material against our new Fundraising Code. This is an internal Code which imposes additional standards that we choose to abide by regarding the ways in which we fundraise. We also consult an older person's psychologist who reviews our materials and suggests any changes;
- we held our second Grandfest campaign supported by our ambassador, Wayne Sleep, to celebrate older people's skills. This brought us widespread national media coverage with fantastic attendance by the general public supporting our cause. We also continued with our community fundraising initiative, Sing Your Heart Out, with performances by a number of choirs up and down the country throughout the year;
- partnerships have been developed with trusted third parties including Samworth Brothers, Legal & General, Marks and Spencer Plc, Prudential and SGN all of whom have provided generous funding, brand exposure and skills and connections;
- we have spent time thinking about the implications for Royal Voluntary Service from the approaching "opt-in" rules to be introduced by the GDPR next year and how we might secure initial and future consents relating to direct marketing. We have trialled opt-in in some of our

prize draw mailings and will continue to roll out a scheduled opt-in programme as we move to GDPR implementation date.

OUR FUTURE PLANS

For the first time in the last seven years, the charity returned a surplus of £1.2m, including an unrealised gain on our investments of £1.8m. Care must be taken to preserve this position. We now have the chance to make investments but continue to be prudent in the face of significant pressures on income. Our specific principal objectives for 2017-18 are to:

- complete the realignment of our community operations to deliver the redefined core offers in commissioned services and social action;
- complete retail refurbishments, establish ongoing and secure relationships with the NHS and trial proof of concept for a potential replacement EPOS system in our retail estate;
- deliver the changes required by GDPR, including securing opt-in consents for direct marketing, updating our privacy statement and embedding all necessary data protection practices as appropriate;
- refresh, implement and embed proposed new safeguarding practices across the organisation;
- under the “Build one RVS” banner, develop and roll out the charity’s culture and values.

By fulfilling these objectives we intend to augment the current activities of the charity in the retail and community areas throughout England, Scotland and Wales. We aim to grow our retail presence in hospitals from our current level of 236 sites; to increase our level of contracts in commissioned and non-commissioned community services; expand our community clubs from 400 and develop more social action activities for older people through initiatives like our “sheds”.

OUR FINANCIAL REVIEW

The surplus delivered in the year reflects our commitment to deliver the benefits from the Fit for the Future restructure two years ago, and growing our fundraising income whilst at the same time investing in strategic activities.

Income

Income levels were slightly down at £64.5m (2015-16: £64.7m) arising from the following sources:

- Hospital shops and cafes £44.3m (2015-16: £44.5m) – like for like sales were up £1.3m and by 3.5% which was helped by a full year of sales from the rollout of a new branded coffee;
- Fundraising income increased to £8.3m (2015-16: £5.9m). This includes net income of £5.2m from trusts and lotteries (2015-16: £2.5m);
- Community services income reduced to £8.7m (2015-16: £11.2m) as we experienced further funding cuts from commissioners and closure of meals on wheels services at the end of their contractual lives;

- Other - £3.2m (2015-16: £3.1m). This includes the income from the WRVS Services Welfare contract with the Ministry of Defence of £2.7m.

Expenditure

Total funds spent were £65.4m (2015-16: £67.4m) including £0.8m investment in strategic activities in hospitals and £0.4m into community services. Hence the fall in income was well exceeded by a fall in costs.

Expenditure arose from the following sources:-

- Hospital services cost £44.1m (2015-16: £43.7m), following the trend in income;
- Community services spend of £16.7m (2015-16: £19.0m) has reduced with the majority (£2.2m) of the saving resulting from fewer food contracts. The current economic and political climate has led to a general reduction in funding for service delivery which has resulted in a reduction in expenditure by £0.4m;
- Fundraising costs amounted to £1.6m (2015-16: £1.6m);
- Other costs of £3.0m (2015-16: £3.1m) include the costs of WRVS Services Welfare, investment management fees, loss on sale of fixed assets and the final stages of the transition costs of Fit for the Future.

Support costs are included in the activities above and listed in detail in note 6 to the accounts. Total expenditure is £10.5m (2015-16: £10.2m).

Investments

The Investment Committee sets out the overall performance and objectives under which the charity's investment managers Cazenove, Ruffer and Blackrock are benchmarked. The Investment Committee and the investment managers observe the charity's Investment Policy Statement which reflects the Trustees' decision that the charity will not directly invest in armaments, pornography or tobacco. The investment managers report regularly to the Investment Committee and meet with them twice a year to present the performance review and outlook.

The key objectives of the portfolio are to:

- Achieve a rate of return of 2.5% per annum, after fees and costs, above the UK Retail Price Index (RPI);
- Maintain a diversified portfolio to manage risk with equities representing no more than 70% of the fund.

Both objectives were achieved in the portfolio in 2016-17.

The total return on investments over the year was £426k (2015-16: £378k) and the realised gains on the sale of investments were £444k (2015-16: £53k). £2.0m was released from the portfolio into cash before the end of the year in line with the liquidity reserve policy. At the year-end there is an unrealised gain in the portfolio of the market value of £3m of which £1.8m arose in 2016-17 (2015-16: loss of £1.0m).

As at 26 March 2017 the distribution of investments was:

- Equities 41%
- Bonds 29%
- Alternatives and cash 30%

Reserves

It is the charity's policy to retain a minimum level of general reserve of three months' operating costs excluding the costs of operating its retail units which would be supported by continued trading activity. Trustees continuously monitor reserves via monthly management accounts and at year end. When planning and budgeting for activities, Trustees consider reserve levels to ensure an appropriate balance between short and long term needs and to provide for prudent contingency.

Total funds at 26 March 2017 were £28.2m as shown in Note 15 (2015-16: £27.0m) of which:

£2.6m are restricted for specific purposes (2015-16: £2.3m)

£13.9m are designated for specific use (2015-16: £15.0m) in paragraphs f – n in Note 15

£11.7m are general reserves (2015-16: £9.7m), of which £6.0m is the minimum level as described above.

The increase in total funds reflects the surplus reported in the year.

During the year £2.2m was transferred into designated reserves to fund strategic activities, being £1.5m for an Investment Fund to grow retail and a further £0.7m for an Innovation Fund to deliver impact and Build One RVS.

In notes 15g to 15n to the accounts the likely timing and description of expenditure of material amounts designated at the year-end are included.

Subsidiary undertakings

Royal Voluntary Service has two wholly owned subsidiary companies registered in England and Wales which are consolidated into the group accounts.

WRVS Services Welfare Limited's principal activity is the provision of welfare and support to army service men and women on army bases throughout the world. During 2016-17 the reported income in the subsidiary was £2.5m (2015-16: £2.4m) and the expenditure £2.5m (2015-16: £2.4m). Royal Voluntary Service (supported by the Soldiers, Sailors, Airmen and Families Association) receives a management fee for delivering the service amounting to £0.2m (2015-16: £0.2m).

Royal Voluntary Service Meals on Wheels Limited delivers meals to those in need in their homes, via commercial contracts with local authorities. All profits are gifted to the charity. In the year ended 26 March 2017 income was £0.7m (2015-16: £2.5m). The operating profit to be gifted back was £0.1m (2015-16: £0.2m).

The charity's subsidiary undertakings are also set out in Note 11 of the accounts. Income from trading subsidiaries has been included within income from charitable activities within the accounts.

Financial statements and balance sheet

Results for the year ended 26 March 2017 are shown on the Statements of Financial Activities on pages 22 and 23 and assets and liabilities are shown in the Balance Sheets on page 24. These statements should be read together with the notes to the accounts, which appear on pages 27 to 44 and have been prepared in accordance with relevant law and the FRS102 SORP requirements.

Principal risks and uncertainties

The charity records significant risks in its Risk Register which is monitored by the Leadership Team under the oversight of the Risk Monitoring Group, the Audit and Risk Committee and the Trustees, who consider the principal risks arising from the Risk Register to be:

Principal risk	Management of risks
Financial risk associated with a loss of income due to attrition of the retail estate or a reduction in fundraising income.	Significant management attention has been given to adjusting the cost base in line with any income reduction. Strategic initiatives in investment in fundraising and in the retail estate continue to be developed to establish more certainty of future income streams.
Risk of loss of fundraising income including the effects of complying with GDPR will severely reduce the number of donors to the charity. Also as a consequence of restrictions on marketing communications, the awareness of the work of the charity with current and potential donors and volunteers will be affected.	The use of opt-in clauses is being expanded. Other forms of communicating with donors and volunteers are being explored including investment in the expansion of the digital options and media.
Operational risk that the redefinition of the charity's core community offers fails to establish a sustainable model for delivery of the charity's activities.	By testing the realigned activities in community operations in two locations, learnings are now being incorporated into the programme for 2017-18. The work on culture and values will further unify the sense of purpose in the charity.
There is a risk that changes in the senior leadership of the charity impact across all areas and functions to the substantial detriment of strategic delivery	An experienced and talented Leadership Team has been assembled which is able to cover short term vacancies.
Risk associated with the safeguarding of all service users, volunteers and employees	Work is almost complete on a new safeguarding policy and procedures for training and embedding in 2017-18.

The charity works to mitigate these risks by applying the structure, governance and management below.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Our legal and administrative details are set out in the appendix at page 19.

Structure and public benefit

Royal Voluntary Service is a charitable company limited by guarantee in England and Wales (number 2520413) incorporated on 10 July 1990 and registered as a charity in England and Wales (number 1015988) on 31 December 1992 and in Scotland (number SC038924) on 27 November 2007. Its registered office and principal address is at Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP. The charity is governed by its Memorandum and Articles of Association (last amended on 25 September 2015) which set out the charity's legal objects, which describe the public benefit, as:

The relief of poverty, distress, suffering or need among all sections of the community primarily in the United Kingdom by all charitable means and particularly by providing:

- assistance largely in kind and facilities for individuals in the community;
- assistance in kind to victims of emergencies or disasters; and
- advice and facilities to relieve the needs of those in hospital, in prison or in the armed service and their families; and such other purposes for the benefit of the community as shall be exclusively charitable.

The Trustees confirm they have complied with the duty of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Further, when reviewing Royal Voluntary Service's aims and objectives and in planning future activities they refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

The charity has two wholly owned subsidiary companies both registered in England and Wales, Royal Voluntary Service Meals on Wheels Limited (number 2778481) and WRVS Services Welfare Limited (number 2778476) as also mentioned at page 12.

Governance and Management

The charity's Trustees are responsible for the overall governance of Royal Voluntary Service and it must have no less than six and no more than twelve Trustees (including the Chair) each of whom is also a member of the company. Trustees may be appointed for a maximum of two three-year terms of office. The methods used to recruit and appoint new trustees involve the engagement of a specialist recruitment consultancy and a process of interview and reference. Those who have served during the year are set out in the appendix.

The Board of Trustees exists to safeguard and promote the vision and purpose of Royal Voluntary Service, to determine its strategy and structure and to ensure that it operates effectively and responsibly. Responsibility for the day to day running of Royal Voluntary Service is delegated to the Chief Executive Officer via the charity's Governance Framework dated 19 November 2012.

Trustees hold at least five face to face meetings a year with additional ad hoc meetings held as necessary. Between formal meetings Trustees also receive written updates from the Chief Executive Officer who is supported by the Leadership Team which includes directors of finance, retail, strategy and operations and marketing and fundraising).

There are currently three Board committees (reduced from four following a review in 2016) and they meet as required to support the work of the Trustees. Each committee has terms of reference setting out the scope of its authority and its work, is chaired by a Trustee supported by two other Trustees and reports to the Board of Trustees. The committees are supported by a specified Executive Director and occasionally seek appropriate advice as necessary from external sources. The three committees are:

- The People and Remuneration Committee – this meets at least twice a year to review the performance and remuneration of Executive Directors, the size, structure and composition required of the Trustee Board including succession planning for Trustees and senior management and to consider volunteer and employee issues for recommendation to Trustees;
- The Audit and Risk Committee – this meets at least four times a year to consider reports from both external and internal auditors regarding internal control systems and risk management processes and receives and considers the charity's risk register and any horizon risk before recommendation to Trustees;
- The Investment Committee - this meets at least four times a year to oversee the performance of the charity's investment portfolio (including meeting with the charity's Investment Managers and its external investment advisor) and liquidity reserve.

The Board of Trustees retains authority for all matters that are not delegated by the charity's Governance Framework or separate specific delegation. Responsibility for financial matters (including reviewing and approving the annual budget) and the (re)appointment of Trustees and the appointment of the Chief Executive Officer rests with the Board of Trustees.

Trustees also assist on a more informal basis by participating in two advisory boards on fundraising and retail both of which meet as necessary to discuss topical and upcoming issues.

A Trustee induction programme is in place and each new Trustee visits services and meets with senior management within Royal Voluntary Service at an early stage of their Trusteeship. Ongoing support is provided as required to ensure Trustees are aware of changes to the legal and regulatory framework affecting the charity and their roles and responsibilities within it. Royal Voluntary Service has also purchased trustee indemnity insurance, as outlined in Note 8 of the accounts.

Changes in Trustees and Executive Directors

During the year we said farewell to trustees Alexis Jay who resigned upon her appointment as Chair of the Independent Child Abuse Inquiry, Sylvia Fox who retired at the end of her second term and Bill Shannon who resigned after completing his first term. We thank them all for their commitment to Royal Voluntary Service and wish them luck for the future.

At the beginning of 2017 we welcomed three new trustees:

- Sophie Livingstone who is currently CE of City Year UK which challenges young adults to tackle inequality by giving a year's service to a school, a concept Sophie has introduced to the UK from the US. As co-founder of Generation Change, Sophie also works to increase the quantity and quality of social action taken by young people in the UK;
- Catherine Johnstone who brings with her a wealth of experience garnered over 25 years in the third sector. During her time as CEO of Samaritans, Catherine was responsible for delivering a five year strategy to revitalise and future proof the charity. Her experience in engaging with

volunteers at an organisation led by volunteers will be invaluable in her role at Royal Voluntary Service. Catherine was awarded a CBE in 2016 for her services to suicide prevention;

- Josephine Swinhoe who has twenty years of experience in fundraising, marketing and volunteering with notable roles at NSPCC and the Alzheimer's Society. She is currently a business and fundraising consultant and business owner, building the first chain of Tinnitus Clinics in the UK. Josephine brings much fundraising and marketing expertise and her volunteer led approach will provide valuable insight.

Karl Demian was appointed as Executive Director of Strategy and Operations on 1 April 2017 after six years at the charity. Karl has previously held director roles at the Legal Services Commission and Citizens Advice. He is the Chair of WCS Ltd, a charity providing residential care for adults, and a Trustee of his local hospice where he chairs its Information Governance Committee.

After five and a half excellent years with Royal Voluntary Service, David McCullough, CEO moved on to a new role with another charity and has been succeeded by Catherine Johnstone who, after a formal and thorough external search, was appointed CEO after a short but valued time as Trustee of the charity. David has been a committed CEO and has combined superb leadership and people skills during his time with the charity. We wish him well for the future. Catherine became CEO on 1 August 2017 and has brought with her wealth of experience from her time as CEO of Samaritans and her career in frontline service delivery, social action and volunteering.

Risk management and internal controls

The Trustees have overall responsibility for the system of risk management and internal control for the charity and its subsidiaries. Trustees refer to the charity's Risk Management Policy and risk register when considering the main risks facing Royal Voluntary Service and the risk appetite of the organisation. The Risk Monitoring Group keeps the risk register under regular review and formally reports to Trustees at least twice a year on any changes to the risk register. Trustees also review the key internal controls, systems and procedures that are implemented in order to deliver any necessary risk mitigation.

The charity produces an annual budget and reports monthly against that budget, which is monitored by the Leadership Team. Updated financial forecasting is undertaken at the half year stage to reflect changes to the original budget assumptions and the impact on income and expenditure.

Internal Audit reports to the Audit and Risk Committee and works with management to embed a risk management culture by using control and risk self-assessment to manage the working environment effectively. Internal Audit undertakes regular audits from a Trustee approved internal annual audit work plan and monitors and tests controls to give assurance to the Leadership Team, the Chief Executive Officer and the Board of Trustees.

Remuneration and pensions

During the year we implemented the living wage where applicable including for those under 25 years. We also reviewed positions which fell near to the new living wage and maintained the differential by increasing other employee wages in a fair and equitable way. Pay scales were benchmarked against retail and charity comparisons.

The People and Remuneration Committee reviews employee reward and recognition, including salaries, annually for all employees including key management personnel.

The charity operates group personal pension plans operated by Aegon and Friends Life and a workplace auto-enrolment scheme through NEST. An internal Pensions Governance Committee ensures that the charity discharges its statutory obligations relating to these schemes and, where it can, to signpost employees to relevant advice.

Volunteers and employees

Our volunteers continue to be at the heart of all our service delivery and make a massive difference in their community to help older people have an independent and fulfilled life. We recognise that placing a monetary value on their contribution presents significant difficulties and is therefore not included in any contribution from such sources in our declared income.

The Executive Directors communicate topical issues weekly and the results and strategy updates quarterly via the Chief Executive's video and blog.

Employees are encouraged to participate in decision making via their elected representatives at the quarterly Employee Involvement Group which was set up in 2015-16.

Royal Voluntary Service is committed to providing equality for all and eliminating discrimination amongst our workforce. Our aim is to step forward and create a working environment in which there is no unlawful discrimination and all decisions are based on merit. We also believe in caring and protecting everyone around us, to help create a visibly respectful and thriving team.

As outlined in our Equalities Policy, discrimination is unlawful when it takes place on the basis of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Trustees' responsibilities

The Trustees, who are also the directors for the purposes of company law, are responsible for preparing the Annual Report (including strategic 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 and charitable company 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have considered the latter point and reviewed detailed financial and cash projections for the charity and are satisfied that there are no material uncertainties related to events or conditions

that may cast significant doubt about the ability of the group and the charity to continue as a going concern.

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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

The Trustees, who are also directors for the purposes of company law and, 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 auditor is unaware. Each of the Trustees has confirmed he/she has taken all the steps he/she ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish it has been communicated to the auditor.

This Report of the Trustees (including the Strategic Report) was approved by the Board of Trustees on 19 September 2017.

A handwritten signature in black ink that reads "Richard Greenhalgh". The signature is written in a cursive style with a large, stylized 'R' and 'G'.

Richard Greenhalgh
Chairman of the Board of Trustees

Appendix - Our People and Advisers

Patron

Her Majesty, The Queen

President

HRH, The Duchess of Cornwall

Trustees

Unless otherwise indicated, the Trustees listed below were in office from 1 April 2016. Membership of Trustee committees is also noted:

Richard Greenhalgh (Chair) N, R, PR

Rosemary Brook I, PR

Dr Alison Fielding AR

Sylvia Fox N, R, PR

- Retired 30 November 2016

Professor Alexis Jay, AR

- Resigned 30 August 2016

Fiona Joyce N, R, PR

Catherine Johnstone CBE AR

- Appointed 1 January 2017. Resigned 31 July 2017

Sophie Livingstone PR

- Appointed 1 January 2017

Tracy McNeill I

Bill Shannon AR

- Resigned 2 April 2017

Martin Smith AR

Josephine Swinhoe I

- Appointed 1 January 2017

Sir Paul Williams OBE, DL I

Committee chairs

AR: Audit and Risk Committee

- Bill Shannon (resigned 2 April 2017)

- Martin Smith (with effect from 12 May 2017)

I: Investment Committee

- Sir Paul Williams OBE, DL

N: Nominations Committee

- Richard Greenhalgh

R: Remuneration Committee

- Richard Greenhalgh

PR: People and Remuneration Committee

- Richard Greenhalgh (with effect from 27 March 2017)

- Rosemary Brook (with effect from 1 July 2017)

Chief Executive Officer, Executive Directors and Company Secretary

Unless otherwise indicated, the employees listed below were in office from 1 April 2016:

David McCullough, Chief Executive Officer

- Resigned (with effect from 31 July 2017)

Catherine Johnstone, Chief Executive Officer

- Appointed 1 August 2017

Kate Bull, Executive Director of Retail

John Clark, Executive Director of Finance and Company Secretary

Karl Demian, Executive Director of Strategy & Operations (with effect from 1 April 2017)

Auditor

RSM UK Audit LLP, St Philips Point, Temple Row, Birmingham, B2 5AF

Banker

Barclays Commercial Bank, 4th Floor, Apex Plaza, Forbury Road, Reading, RG1 1AX

Investment Managers

BlackRock Investment Management Limited, 12 Throgmorton Avenue, London, EC2N 2DL

Schroder & Co Limited (trading as Cazenove Capital) 31 Gresham Street, London, EC2V 7QA

Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Solicitors

Geldards LLP, Dumfries House, Dumfries Place, Cardiff, CF10 3ZF

Independent Auditor's Report to the Trustees and Members of Royal Voluntary Service

Opinion on financial statements

We have audited the financial statements of Royal Voluntary Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 26 March 2017 which comprise the Consolidated and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Cash Flow Statements 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 26 March 2017; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report including Strategic 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 its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report including Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

Independent Auditor's Report to the Trustees and Members of Royal Voluntary Service
Opinion on financial statements (continued...)

- the parent charitable company has not kept proper and adequate accounting records, 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 17 to 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK A-1.4 LLP

MIKE HUGGINS (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: *19 September 2017*

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Royal Voluntary Service

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account)

for the year ended 26 March 2017

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Income							
Income from donations and legacies							
Voluntary Income	2	4,256	2,669	6,925	2,135	2,190	4,325
Income from charitable activities							
- Hospital services		44,287	-	44,287	44,509	-	44,509
- Community services		8,667	-	8,667	11,178	41	11,219
- Services welfare		2,710	-	2,710	2,704	-	2,704
Other trading activities							
- Activities for generating funds	2	1,233	183	1,416	1,422	121	1,543
Investments	5	448	-	448	430	-	430
Total income		61,601	2,852	64,453	62,378	2,352	64,730
Expenditure							
Expenditure on raising funds							
- Expenditure on raising voluntary income		581	33	614	508	32	540
- Expenditure on activities for raising funds		916	56	972	1,096	7	1,103
- Investment management costs		147	-	147	137	-	137
Expenditure on charitable activities							
- Hospital services		44,083	2	44,085	43,656	-	43,656
- Community services		14,508	2,179	16,687	16,576	2,457	19,033
- Services welfare		2,550	-	2,550	2,396	-	2,396
- Transition costs		337	-	337	582	-	582
Other							
- Net loss on the disposal of tangible fixed assets		26	-	26	2	-	2
Total expenditure	6	63,148	2,270	65,418	64,953	2,496	67,449
Net gains/(losses) on investments							
- Net realised gain on investments	11a	444	-	444	53	-	53
- Net unrealised gain/(loss) on investments	11a	1,769	-	1,769	(960)	-	(960)
Net income/(expenditure)		666	582	1,248	(3,482)	(144)	(3,626)
Transfers	15	277	(277)	-	-	-	-
Net movement in funds		943	305	1,248	(3,482)	(144)	(3,626)
Total fund balances brought forward at 28 March	15	24,666	2,328	26,994	28,148	2,472	30,620
Total fund balances carried forward at 26 March	15	25,609	2,633	28,242	24,666	2,328	26,994

All the above results derive from continuing activities and there were no gains or losses other than those shown above.
The accompanying notes on pages 27 - 44 are an integral part of these financial statements.

Royal Voluntary Service

Charity Statement of Financial Activities (Incorporating the Income and Expenditure Account)

for the year ended 26 March 2017

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	funds	funds	2017	funds	funds	2016
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income from donations and legacies							
Voluntary Income	2	4,255	2,668	6,923	2,133	2,190	4,323
Income from charitable activities							
- Hospital services		44,287	-	44,287	44,509	-	44,509
- Community services		8,017	-	8,017	8,621	41	8,662
- Services welfare		160	-	160	308	-	308
Other trading activities							
- Activities for generating funds	2	1,233	183	1,416	1,422	121	1,543
Investments	5	604	-	604	693	-	693
Total income		58,556	2,851	61,407	57,686	2,352	60,038
Expenditure							
Expenditure on raising funds							
- Expenditure on raising voluntary income		581	33	614	507	32	539
- Expenditure on activities for raising funds		916	56	972	1,096	7	1,103
- Investment management costs		147	-	147	137	-	137
Expenditure on charitable activities							
- Hospital services		44,083	2	44,085	43,656	-	43,656
- Community services		13,999	2,179	16,178	14,173	2,457	16,630
- Transition costs		337	-	337	582	-	582
Other							
- Net loss on the disposal of tangible fixed assets		28	-	28	2	-	2
Total expenditure	6	60,091	2,270	62,361	60,153	2,496	62,649
Net gains/(losses) on investments							
- Net realised gain on investments	11a	444	-	444	53	-	53
- Net unrealised gain/(loss) on investments	11a	1,769	-	1,769	(960)	-	(960)
Net income/(expenditure)		678	581	1,259	(3,374)	(144)	(3,518)
Transfers	15	297	(297)	-	-	-	-
Net movement in funds		975	284	1,259	(3,374)	(144)	(3,518)
Total fund balances brought forward at 30 March	15	23,460	2,349	25,809	26,834	2,493	29,327
Total fund balances carried forward at 27 March	15	24,435	2,633	27,068	23,460	2,349	25,809

All the above results derive from continuing activities and there were no gains or losses other than those shown above.
The accompanying notes on pages 27 - 44 are an integral part of these financial statements.

Royal Voluntary Service
Balance sheets

	Notes	26-Mar-17		27-Mar-16	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible fixed assets	10a	3,542	3,542	4,087	4,087
Intangible assets	10b	103	103	264	264
Investments	11a	21,762	21,762	21,294	21,294
		25,407	25,407	25,645	25,645
Current assets					
Stocks		807	804	828	823
Debtors	12	2,355	1,871	3,253	2,493
Investments	11b	-	-	2,000	2,000
Cash at bank and in hand		8,421	8,140	5,513	4,742
		11,583	10,815	11,594	10,058
Creditors: Amounts falling due within one year	13	(8,748)	(9,154)	(10,245)	(9,894)
Net current assets		2,835	1,661	1,349	164
Total assets less current liabilities		28,242	27,068	26,994	25,809
Provision for liabilities	14	-	-	-	-
Net assets	16	28,242	27,068	26,994	25,809
Funds:					
Restricted funds	15	2,633	2,633	2,328	2,349
Unrestricted funds					
- designated funds	15	13,887	13,537	14,976	14,333
- general funds	15	11,722	10,898	9,690	9,127
Total funds		28,242	27,068	26,994	25,809

The accompanying notes on pages 27 - 44 are an integral part of these financial statements.

The financial statements on pages 22 - 44 were approved and authorised for issue by the Board of Trustees on and were signed on its behalf by:



Richard Greenhalgh
Chairman



Martin Smith
Trustee

19 September 2017

Royal Voluntary Service
Consolidated cash flow statement
for the year ended 26 March 2017

	Notes	2017 £'000	2016 £'000
Net cash used in operating activities	a	(1,019)	(2,386)
Cash flows from investing activities:			
Dividends and interest from investments		448	430
Property, plant and equipment		(110)	(257)
Intangible fixed assets		(9)	(34)
Proceeds from sale of investments		4,092	2,922
Purchase of investments		(4,526)	(3,499)
Withdrawal from investments		2,000	-
Movement to cash		32	272
Net cash provided/(used in) by investing activities		1,927	(166)
Change in cash and cash equivalents in reporting period		908	(2,552)
Cash and cash equivalents at beginning of reporting period		7,513	10,065
Cash and cash equivalents at the end of the reporting period	b	8,421	7,513

Notes to the cash flow statement

a) Reconciliation of cash flows from operating activities	2017	2016
operating activities	£'000	£'000
Net income/(expenditure)	1,248	(3,626)
Adjustments for:		
Depreciation charges	624	1,042
Amortisation on intangibles	170	170
Unrealised (gain)/loss on investments	(1,769)	960
Realised gain on investments	(444)	(53)
Loss on disposal of assets	26	2
Loss on disposal of assets - against which provision was released	-	56
Dividends and interest from investments	(448)	(430)
Investment management fees	147	137
Decrease in stocks	21	193
Decrease in debtors	898	1,007
Decrease in creditors	(1,492)	(613)
Decrease in provision	-	(1,231)
Net cash used in operating activities	(1,019)	(2,386)

b) Analysis of cash and cash equivalents	At 26 March	At 27 March
	£'000	£'000
Cash at bank and in hand	8,421	5,513
Notice deposits (less than 3 months)	-	2,000
Total cash and cash equivalents	8,421	7,513

Prior year adjusted to split out the cash flows from investing activities relating to the purchase of fixed assets between property, plant and equipment and intangible fixed assets.

Royal Voluntary Service
Charity cash flow statement
for the year ended 26 March 2017

	Notes	2017 £'000	2016 £'000
Net cash used in operating activities	a	(686)	(1,834)
Cash flows from investing activities:			
Dividends and interest from investments		448	430
Donations received from subsidiaries under gift aid		156	263
Property, plant and equipment		(110)	(257)
Intangible fixed assets		(8)	(34)
Proceeds from sale of investments		4,092	2,922
Purchase of investments		(4,526)	(3,499)
Withdrawal from investments		2,000	-
Movement to cash		32	272
Net cash provided by investing activities		2,084	97
Change in cash and cash equivalents in reporting period		1,398	(1,737)
Cash and cash equivalents at beginning of reporting period		6,742	8,479
Cash and cash equivalents at the end of the reporting period	b	8,140	6,742

Notes to the cash flow statement

a) Reconciliation of cash flows from operating activities	2017	2016
operating activities	£'000	£'000
Net income/(expenditure)	1,259	(3,518)
Adjustments for:		
Depreciation charges	624	1,042
Amortisation on intangibles	169	170
Unrealised (gain)/loss on investments	(1,769)	960
Realised gain on investments	(444)	(53)
Dividends and interest from investments	(448)	(430)
Donations received from subsidiaries under gift aid	(156)	(263)
Investment management fees	147	137
Loss on the sale of fixed assets	28	2
Loss on disposal of assets - against which provision was released	-	56
Decrease in stocks	19	173
Decrease in debtors	622	1,296
Decrease in creditors	(737)	(175)
Decrease in provision	-	(1,231)
Net cash used in operating activities	(686)	(1,834)

b) Analysis of cash and cash equivalents	At 26 March	At 27 March
	£'000	£'000
Cash at bank and in hand	8,140	4,742
Notice deposits (less than 3 months)	-	2,000
Total cash and cash equivalents	8,140	6,742

Prior year adjusted to split out the cash flows from investing activities relating to the purchase of fixed assets between property, plant and equipment and intangible fixed assets.

Notes to Financial Statements for the year ended 26 March 2017

1 Principal accounting policies

a) Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, except where stated. The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain assets at fair value and in accordance with applicable accounting standards and with the statement of recommended practice for accounting and reporting for charities (SORP2015 and FRS102). All income is accounted for on an accruals basis unless otherwise stated. The financial statements have been prepared to Sunday 26 March 2017 in line with the weekly income and cash returns which are received from our services.

Royal Voluntary Service is a charitable company limited by guarantee registered in England and Wales under company number 2520413. It is also a registered charity in England and Wales number 1015988 and in Scotland SC038924. The financial statements have been prepared on the basis that it is a public benefit entity under FRS102.

In view of subsequent cash flow forecasts and strategic plans, the Trustees are of the view that the financial statements are prepared on the basis that the charity is a going concern.

b) Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity and all its subsidiary undertakings made up to the balance sheet date. The results of subsidiary undertakings are included in the group accounts from their effective date of acquisition (or up to their effective date of disposal). The financial statements and balance sheets of all subsidiary companies have been consolidated on a line by line basis.

c) Grants receivable

i) Grant from the Ministry of Defence

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding received for payroll, operating and capital costs unappropriated at the end of each accounting period is deemed to be repayable.

ii) Other capital grants

Other capital grants received towards the cost of tangible fixed assets are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds where applicable. Annual transfers of amounts equivalent to any depreciation charges reduce the restricted funds.

iii) Other grants are received for specific services from local authorities and are recognised in accordance with their terms and conditions.

d) Income from the provision of hospital services

Income receivable from services provided in hospital cafés and shops is accounted for on an accruals basis in line with the timing of the underlying transaction.

e) Income from the provision and delivery of meals

Income receivable from local authorities for the provision and delivery of meals is credited to the statement of financial activities in accordance with the terms of the contract with the relevant local authority.

f) Donations and other voluntary income

Donations are accounted for in the year in which they are receivable.

g) Legacies receivable

Legacies are credited to the statement of financial activities once the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement have been met in accordance with SORP 2015.

h) Expenditure

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and its charitable subsidiaries and includes direct staff attributable to the activity and an allocation of the general management and overhead costs. Support costs are apportioned based on cost drivers that reflect the type of activities carried on within the support departments.

Grants are given to hospitals and other institutions in line with the charity's objects and the amounts included represent the total cost incurred by the charity in the year and are recognised when a legal or constructive obligation exists which commits the charity to the cost.

Expenditure on raising voluntary income and on activities for raising funds comprises expenditure incurred by the charity in encouraging others to make contributions to it and apportioned overheads of the fundraising team.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to Financial Statements for the year ended 26 March 2017

1 Principal accounting policies (continued)

- i) **Governance**
Governance costs are those associated with constitutional and statutory requirements, external audit, legal advice and insurance.
- j) **Leased assets**
Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.
- k) **Tangible fixed assets**
Purchased tangible fixed assets excluding office properties are recorded at cost or deemed cost, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Office properties were last valued in March 2014 and trustees were satisfied that this represented the fair value of the assets, which will be used as the basis for deemed cost going forward.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Depreciation is not provided on assets in the course of construction. Depreciation on all other tangible assets is calculated so as to write off the cost or deemed cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic lives are given to each asset class unless there is a reason to use a different length of time:
- | | |
|--------------------------------|------------------------------|
| Freehold buildings | 50 years |
| Long leaseholds | Over the length of the lease |
| Short leaseholds | Over the length of the lease |
| Motor vehicles | 4 years |
| Furniture and office equipment | 5 years |
| Computer equipment | 3 years |
- No depreciation is provided on freehold land, which is taken to be equal to 10% of the purchase price of the freehold land and buildings. Donated assets are included within the balance sheet at their current value at the date of the gift and also included within the statement of financial activities as income.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.
- l) **Onerous contracts**
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.
- m) **Investments**
Investments listed on a recognised stock exchange are included in the balance sheet at fair value at the end of the period. Investments in subsidiary companies are included in the financial statements at cost, which is considered by the trustees to be appropriate and approximate to their fair value given the arrangements for gift aid to the charity of surpluses generated. Current asset investments represent cash held on short-term money market deposits to maximise investment returns whilst enabling the charity to meet short-term liabilities. Current asset investments are stated at their fair value.
- n) **Fund accounting**
General funds comprise those monies that may be used towards meeting the charitable objectives of the group at the discretion of the Trustees. The restricted funds are monies raised for a specific purpose, or donations subject to donor imposed restrictions. The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.
- o) **Stocks**
Stocks, being goods for resale, are valued at the lower of cost and net realisable value.
- p) **Retirement benefits - defined contribution**
For defined contribution schemes contributions are charged to the statement of financial activities as incurred.

Notes to Financial Statements for the year ended 26 March 2017

1 Principal accounting policies (continued)

q) Intangible fixed assets

Purchased intangible fixed assets are recorded at cost or carrying value, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Amortisation is not provided on assets in the course of construction.

Amortisation on all intangible assets is calculated so as to write off the cost, or valuation, of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic life is given to each intangible asset unless there is a reason to use a different length of time:

Computer software

3 years

Intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.

r) Financial instruments

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 have been applied in full, to all financial instruments.

Financial assets and financial liabilities are recognised when the Royal Voluntary Service becomes a party to the contractual provisions of the instrument, and are offset only when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Financial assets

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

ii) Financial liabilities and equity

Financial instruments are classified as liabilities.

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

iii) Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes to Financial Statements for the year ended 26 March 2017

2 Voluntary income & Activities for generating funds

Group	2017			2016		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Voluntary income:						
Donations	1,464	33	1,497	1,524	52	1,576
Trusts & lotteries	2,670	2,508	5,178	465	2,084	2,549
Legacies	61	128	189	95	54	149
Other	61	-	61	51	-	51
Total voluntary income	4,256	2,669	6,925	2,135	2,190	4,325

	2017			2016		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Activities for generating funds:						
Property rental	151	-	151	178	-	178
Prize draws, raffles and corporate income	1,006	172	1,178	1,217	112	1,329
Fundraising & events	76	11	87	27	9	36
Total activities for generating funds	1,233	183	1,416	1,422	121	1,543

Voluntary income & Activities for generating funds						
Charity	2017			2016		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Voluntary income:						
Donations	1,463	32	1,495	1,522	52	1,574
Trusts & lotteries	2,670	2,508	5,178	465	2,084	2,549
Legacies	61	128	189	95	54	149
Other	61	-	61	51	-	51
Total voluntary income	4,255	2,668	6,923	2,133	2,190	4,323

	2017			2016		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Activities for generating funds:						
Property rental	151	-	151	178	-	178
Prize draws, raffles and corporate income	1,006	172	1,178	1,217	112	1,329
Fundraising & events	76	11	87	27	9	36
Total activities for generating funds	1,233	183	1,416	1,422	121	1,543

Notes to Financial Statements for the year ended 26 March 2017

3 Grants receivable

Group and Charity

	2017	2016
	£'000	£'000
People's Health Trust	44	564
Asda Foundation	178	175
Big Lottery Fund - Reaching Communities Programme	113	123
Big Lottery Fund Grant - Rethink Good Health Programme	998	948
Big Lottery Fund -People & Places	16	-
Heritage Lottery Fund	3	27
Jessie Spencer Trust	1	-
Welsh Government - Section 64 Grant Scheme	-	46
The Community Foundation in Wales	5	-
Garfield Weston Foundation	75	-
Welsh Government (Sustainable Services Wales grant fund)	81	-
Shetland Charitable Trust	47	47
1989 Willan Charitable Trust	5	-
Department of Health IESD Grant*	-	141
Department of Health HSCVF Grant*	165	146
Cabinet Office – Centre for Social Action Grant - Supporting Older People & Reducing Pressure on Hospitals Fund	-	71
The Royal British Legion	31	-
The Patrons Fund	3	-
Armed Forces Covenant Grant	40	-
Players of People's Postcode Lottery (net income) (see note 4)	2,661	-
Players of People's Postcode Lottery - Postcode Care Trust	-	400
Kent Community Foundation	-	8
SCVO Business Growth Graduate Internship Programme (ERDF)	-	2
Total grants receivable (included within voluntary income and where the funder requires disclosure in the statutory accounts)	4,466	2,698

* During the year we received funding from the Department of Health Innovation, Excellence and Strategic Development (IESD) Grant of £nil (2015-16: £141k) and we spent £nil (2015-16: £116k) delivering the project. We also received £165k (2015-16: £146k) from Department of Health & Social Care Volunteering Fund (HSCVF) Grant and we spent £171k (2015-16: £181k) delivering the project.

4 Lottery Income

Lottery income included in Trusts and Lotteries in Note 2 and 3 reflects the proceeds from the People's Postcode Lottery (PPL). Royal Voluntary Service has no ability to alter the price of tickets, determine the prizes or reduce the management fee. PPL is the acting principal for these draws. Net proceeds received are recognised within Voluntary Income in the Statement of Financial Activities.

	2017	2016
	£'000	£'000
People's Postcode Lottery ticket value	7,953	-
People's Postcode Lottery prize fund	(3,164)	-
People's Postcode Lottery management fee	(2,111)	-
Prize indemnity insurance	(17)	-
	2,661	-

5 Investment income

Group

	2017	2016
	£'000	£'000
Income from fixed asset investments	426	378
Bank interest	22	52
Total investment income	448	430

Charity

	2017	2016
	£'000	£'000
Income from fixed asset investments	426	378
Bank interest	22	52
Donations received from subsidiaries under gift aid	156	263
Total investment income	604	693

Notes to Financial Statements for the year ended 26 March 2017

6 Group	Grants £'000	Direct costs £'000	Support costs £'000	Total 2017 £'000		Grants £'000	Direct costs £'000	Support costs £'000	Total 2016 £'000
Hospital services	3,419	36,722	3,944	44,085		3,696	36,354	3,606	43,656
Community services	-	10,566	6,121	16,687		-	12,827	6,206	19,033
Services welfare	-	2,550	-	2,550		-	2,396	-	2,396
Fundraising*	-	1,127	459	1,586		-	1,267	376	1,643
Investment management costs	-	147	-	147		-	137	-	137
Transition	-	337	-	337		-	582	-	582
Disposal of tangible fixed assets	-	26	-	26		-	2	-	2
Total expenditure	3,419	51,475	10,524	65,418		3,696	53,565	10,188	67,449

Included within 'Hospital services' expenditure above are costs of inventories expensed of £24.6m (2015-16: £24.8m). Grants included above of £3,419k (2015-16: £3,696k) are given to hospitals, NHS Trusts and similar institutions in line with the charity's objects and the amounts represent the total cost incurred by the group in the year. A list of grants made is available upon request from the registered office.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

	Hospital services £'000	Community services £'000	Fundraising* £'000	2016 £'000	Basis
Support costs comprise:					
Governance	350	407	-	757	No. people
Operations	1,807	2,795	-	4,602	Direct allocation
Marketing	242	847	-	1,089	No. services
IT	241	480	-	721	Direct and time allocated
Fundraising*	-	-	576	576	Direct allocation
Human Resources	253	253	-	506	No. operational people
Central services	650	1,203	-	1,853	Allocation of duties
Properties	63	221	-	284	Number of services
Total Support	3,606	6,206	376	10,188	

Last year the support costs were reported as £10,907k and we have reduced by this by £719k to correct the classification of investment management costs and transition and they are now treated as directly allocated costs. Support costs are now £10,188k.

Last year the direct costs of community services were reported as £10,065k and we have increased this by £2,762k to correct the classification of expenditure to deliver the services funded by trusts. These costs had previously been included in expenditure on activities for raising funds. Community direct costs are now £12,827k.

	Hospital services £'000	Community services £'000	Fundraising* £'000	2017 £'000	Basis
Support costs comprise:					
Governance	349	400	-	749	No. people
Operations	2,070	2,624	-	4,694	Direct allocation
Marketing	224	787	-	1,011	No. services
IT	217	433	-	650	Direct and time allocated
Fundraising*	-	-	459	459	Direct allocation
Human Resources	264	263	-	527	No. operational people
Central services	768	1,430	-	2,198	Allocation of duties
Properties	52	184	-	236	Number of services
Total Support	3,944	6,121	459	10,524	

*Fundraising represents expenditure on raising voluntary income and raising funds in the statement of financial activities.

This expenditure is stated after charging:

Auditor's remuneration in the year:

Fees payable to charity auditor for 2014-15

Fees payable to the charity auditor for the audit of the parent charity and the consolidation

Fees payable to the charity auditor and its associates for other services:

- The audit of the charity's subsidiaries pursuant to legislation

- Fees payable for other services – tax advisory services

- Additional work with Audit & Risk Committee

- Strategic forecast model and restore project

Depreciation - tangible fixed assets

Amortisation - intangible fixed assets

Operating lease rentals

- land and buildings

- other

	2017 £'000	2016 £'000
	-	3
	44	55
	12	8
	-	10
	-	2
	-	12
	624	1,042
	170	170
	1,952	1,933
	367	644

Prior year adjustment made to move amortisation of intangible fixed assets from the depreciation line.

Notes to Financial Statements for the year ended 26 March 2017

6 Total expenditure (continued)

Charity	Grants	Direct costs	Support costs	Total 2017	Grants	Direct costs	Support costs	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital services	3,419	36,722	3,944	44,085	3,696	36,354	3,606	43,656
Community services	-	10,057	6,121	16,178	-	10,424	6,206	16,630
Fundraising	-	1,127	459	1,586	-	1,266	376	1,642
Investment management costs	-	147	-	147	-	137	-	137
Transition	-	337	-	337	-	582	-	582
Disposal of tangible fixed assets	-	28	-	28	-	2	-	2
Total expenditure	3,419	48,418	10,524	62,361	3,696	48,765	10,188	62,649

Included within 'Hospital services' expenditure above are costs of inventories expensed of £24.6m (2015-16: £24.8m). Grants included above of £3,419k (2015-16: £3,696k) are given to hospitals, NHS Trusts and similar institutions in line with the charity's objects and the amounts represent the total cost incurred by the group in the year. A list of grants made is available upon request from the registered office.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of

	Hospital services	Community services	Fundraising*	2016	Basis
Support costs comprise:	£'000	£'000	£'000	£'000	
Governance	350	407	-	757	No. people
Operations	1,807	2,795	-	4,602	Direct allocation
Marketing	650	1,203	-	1,853	Allocation of duties
IT	241	480	-	721	No. operational people
Fundraising*	242	847	-	1,089	No. services
Human Resources	253	253	-	506	Direct and time allocated
Central Services	-	-	376	376	Direct allocation
Properties	63	221	-	284	Number of services
Total Support	3,606	6,206	376	10,188	

Last year the support costs were reported as £10,907k and we have reduced by this by £719k to correct the classification of Investment management costs and transition and they are now treated as directly allocated costs. Support costs are now £10,188k.

Last year the direct costs of community services were reported as £7,662k and we have increased this by £2,762k to correct the classification of expenditure to deliver the services funded by trusts. These costs had previously been included in expenditure on activities for raising funds. Community direct costs are now £10,424k.

	Hospital services	Community services	Fundraising*	2017	Basis
Support costs comprise:	£'000	£'000	£'000	£'000	
Governance	349	400	-	749	No. people
Operations	2,070	2,624	-	4,694	Direct allocation
Marketing	224	787	-	1,011	Allocation of duties
IT	217	433	-	650	No. operational people
Fundraising*	-	-	459	459	No. services
Human Resources	264	263	-	527	Direct and time allocated
Central Services	768	1,430	-	2,198	Direct allocation
Properties	52	184	-	236	Number of services
Total Support	3,944	6,121	459	10,524	

*Fundraising represents expenditure on raising voluntary income and raising funds in the statement of financial activities.

This expenditure is stated after charging:

Auditor's remuneration in the year:

Fees payable to the charity auditor for 2014-15
Fees payable to the charity auditor for the audit of the parent charity and the consolidation
Fees payable to the charity auditor and its associates for other services:
- Fees payable for other services – tax advisory services
- Additional work with Audit & Risk Committee
- Strategic forecast model and restore project

Depreciation - tangible fixed assets

Amortisation - intangible fixed assets

Operating lease rentals

- land and buildings
- other

2017	2016
£'000	£'000
-	5
44	55
-	10
-	2
-	12
624	1,042
169	170
1,931	1,829
359	553

Prior year adjustment made to move amortisation of intangible fixed assets from the depreciation line.

Notes to Financial Statements for the year ended 26 March 2017

7 Staff costs and Trustees' remuneration

Group

Staff costs during the year were as follows:

	2017	2016
	£'000	£'000
Wages and salaries	17,191	17,053
Social security costs	1,261	1,191
Other pension costs	452	439
Subtotal staff costs	18,904	18,683
Redundancy	308	43
Other staff costs	996	1,836
Total staff costs	20,208	20,562

The number of employees who earned £60,000 p.a. or more (including taxable benefits) during the year was as follows:

	Excluding Severance		Including Severance	
	2017	2016	2017	2016
	No.	No.	No.	No.
£60,001 - £70,000	3	6	2	5
£70,001 - £80,000	7	6	5	6
£80,001 - £90,000	3	3	3	3
£90,001 - £100,000	-	-	-	-
£100,001-£110,000	1	1	1	1
£110,001-£120,000	1	2	2	3
£120,001-£130,000	-	-	1	-
£140,001-£150,000	1	1	1	1
£150,001-£160,000	-	-	1	-

The total contribution in the year for the provision of money purchase pension benefits was £94,455 (2015-16: £97,726) in respect of higher paid employees. At the year-end there were 10 (2015-16: 13) higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes.

The key management personnel comprise the Executive Team members in post during the financial year ending 26 March 2017. The total salary including benefits of the key management personnel was £438k (2015-16: £583k).

The average number of employees of the group, analysed by function was:

	2017	2016
	No.	No.
Operations	1,027	1,170
Support	256	250
	1,283	1,420
Full time	479	489
Part time	804	931
	1,283	1,420
FTE Equivalent	870.1	906

No Trustees received any remuneration for any services as Trustees during the year to 26 March 2017 (2015-16 Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2017	2016
	£'000	£'000
Travel expenses (3 trustees)	1	2

Charity

Staff costs during the year were as follows:

	2017	2016
	£'000	£'000
Wages and salaries	15,178	14,592
Social security costs	1,081	1,005
Other pension costs	317	301
Subtotal staff costs	16,576	15,898
Redundancy	291	12
Other staff costs	957	1,645
Total staff costs	17,824	17,555

Notes to Financial Statements for the year ended 26 March 2017

7 Staff costs and Trustees' remuneration (continued)

The number of employees who earned £60,000 p.a. or more (including taxable benefits) during the year was as follows:

	Excluding Severance		Including Severance	
	2017 No.	2016 No.	2017 No.	2016 No.
£60,001 - £70,000	3	6	2	5
£70,001 - £80,000	6	5	4	5
£80,001 - £90,000	3	3	3	3
£90,001 - £100,000	-	-	-	-
£100,001 - £110,000	1	1	1	1
£110,001 - £120,000	1	2	2	3
£120,001 - £130,000	-	-	1	-
£140,001 - £150,000	1	1	1	1
£150,001 - £160,000	-	-	1	-

The total contribution in the year for the provision of money purchase pension benefits was £86,195 (2015-16: £90,764) in respect of higher paid employees. At the year-end there were 9 (2015-16: 12) higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes.

The key management personnel comprise the Executive Team members in post at during the financial year ending 26 March 2017. The total salary including benefits of the key management personnel was £438k (2015-16: £583k).

The average number of employees of the charity, analysed by function was:		2017	2016
		No.	No.
Operations		990	987
Support		182	180
		1,172	1,167
Full time		401	406
Part time		771	761
		1,172	1,167
FTE Equivalent		735	749

No Trustees received any remuneration for any services as Trustees during the year to 26 March 2017 (2015-16 Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2017 £'000	2016 £'000
Travel expenses (3 trustees)	1	2

8 Indemnity insurance

During the year, the group and charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any Trustee and to indemnify any Trustee against the consequence of any wrongful act on their part other than any actual dishonest, fraudulent or malicious act. The total cover provided by the Charity Trustee insurance is £5.0m (2015-16: £5.0m) and Professional Indemnity is £5.0m (2015-16: £5.0m) and the total premium paid in respect of such insurance was £17,125 (2015-16: £17,125).

9 Taxation

Royal Voluntary Service is a registered charity and as such is exempt from taxation of its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year. Subsidiary companies that do not have Crown Exemption from direct taxation have entered into gift aid donations with Royal Voluntary Service under which any taxable profits or surpluses are transferred to the charity each year. The charity and group are not able to reclaim all VAT suffered on expenditure due to the partial exemption rules.

Notes to Financial Statements for the year ended 26 March 2017

10 Fixed assets

(a) Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, IT, equipment and furniture £'000	Total Tangible Assets £'000
Cost					
At 30 March 2015	2,988	665	354	8,361	12,368
Additions	-	10	-	247	257
Disposals	-	-	(286)	(1,928)	(2,214)
At 27 March 2016	2,988	675	68	6,680	10,411
Depreciation & impairment					
At 30 March 2015	156	135	354	6,792	7,437
Charge for year	73	14	-	955	1,042
Disposals	-	-	(286)	(1,869)	(2,155)
At 27 March 2016	229	149	68	5,878	6,324
Net book values					
At 27 March 2016	2,759	526	-	802	4,087
Cost					
At 28 March 2016	2,988	675	68	6,680	10,411
Additions	-	-	-	110	110
Disposals	-	(20)	-	(96)	(116)
At 26 March 2017	2,988	655	68	6,694	10,405
Depreciation & impairment					
At 28 March 2016	229	149	68	5,878	6,324
Charge for year	72	14	1	537	624
Disposals	-	(8)	(1)	(76)	(85)
At 26 March 2017	301	155	68	6,339	6,863
Net book values					
At 26 March 2017	2,687	500	-	355	3,542

Included in freehold land and buildings and leasehold land and buildings are office properties at a deemed cost of £1.1m, this was fair value at transition to FRS 102 (historic cost of £1.5m). If office properties were held on an historic cost basis, the amounts included after depreciation would be £1.3m (2015-16: £1.3m).

Notes to Financial Statements for the year ended 26 March 2017

(a) Tangible fixed assets (continued)

Charity	Freehold land and buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, IT, equipment and furniture £'000	Total Tangible Assets £'000
Cost					
At 30 March 2015	2,903	631	256	6,974	10,764
Additions	-	10	-	247	257
Disposals	-	-	(236)	(1,443)	(1,679)
At 27 March 2016	2,903	641	20	5,778	9,342
Depreciation & Impairment					
At 30 March 2015	73	103	256	5,401	5,833
Charge for year	73	14	-	955	1,042
Disposals	-	-	(236)	(1,384)	(1,620)
At 27 March 2016	146	117	20	4,972	5,255
Net book values					
At 27 March 2016	2,757	524	-	806	4,087
Cost					
At 28 March 2016	2,903	641	20	5,778	9,342
Additions	-	-	-	110	110
Disposals	-	(20)	-	(96)	(116)
At 26 March 2017	2,903	621	20	5,792	9,336
Depreciation & Impairment					
At 28 March 2016	146	117	20	4,972	5,255
Charge for year	72	14	1	537	624
Disposals	-	(8)	(1)	(76)	(85)
At 26 March 2017	218	123	20	5,433	5,794
Net book values					
At 26 March 2017	2,685	498	-	359	3,542

Included in freehold land and buildings and leasehold land and buildings are office properties at a deemed cost of £1.1m, this was fair value at transition to FRS 102 (historic cost of £1.5m). If office properties were held on an historic cost basis, the amounts included after depreciation would be £1.3m (2015-16: £1.3m).

Notes to Financial Statements for the year ended 26 March 2017

(b) Intangible fixed assets

	Group Total Intangible Assets £'000	Charity Total Intangible Assets £'000
Cost		
At 30 March 2015	1,708	1,700
Additions	34	34
Disposals	(85)	(76)
At 27 March 2016	1,657	1,658
Amortisation & impairment		
At 30 March 2015	1,308	1,300
Charge for year	170	170
Disposals	(85)	(76)
At 27 March 2016	1,393	1,394
Net book values		
At 27 March 2016	264	264
Cost		
At 28 March 2016	1,657	1,658
Additions	9	8
At 26 March 2017	1,666	1,666
Amortisation & impairment		
At 28 March 2016	1,393	1,394
Charge for year	170	169
At 26 March 2017	1,563	1,563
Net book values		
At 26 March 2017	103	103

Notes to Financial Statements for the year ended 26 March 2017

11 a) Fixed asset investments

	Cash & Securities	Cash & Securities
Group and Charity	2017	2016
	£'000	£'000
Fair value at 28 March 2016	21,294	22,032
Additions	4,526	3,499
Withdrawals	(2,000)	-
Disposals	(4,092)	(2,922)
Movement to cash	(32)	(271)
Management fees	(147)	(137)
Realised gain on sale of investments	444	53
Unrealised investment gain/(loss)	1,769	(960)
Fair value at 26 March	21,762	21,294
Historic cost	18,796	20,099
Unrealised gain	2,966	1,195
Fair value at 26 March	21,762	21,294

Securities held at 26 March 2017 comprised the following:

	2017	2016
	£'000	£'000
Securities and cash	21,762	21,294
Fair value	21,762	21,294

Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2015-16: £13). Royal Voluntary Service has 2 wholly owned subsidiary companies. All companies are incorporated in England. A summary of the activities and financial position of the subsidiaries is given in the table below:

	Income £'000	Expenditure £'000	Net surplus before distribution under gift aid £'000	Net Assets £'000
2017				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	651	506	145	1,178
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited (company number 2778476)	2,550	2,550	-	-
The provision of welfare and support to army service men and women serving on military bases throughout the world				
2016				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	2,559	2,403	156	1,189
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited (company number 2778476)	2,396	2,396	-	-
The provision of welfare and support to army service men and women serving on military bases throughout the world				

b) Current asset investments

Group and Charity

This is cash held on short-term money market deposits to maximise return while enabling Royal Voluntary Service to meet potential short-term liabilities.

Notes to Financial Statements for the year ended 26 March 2017

12 Debtors

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Trade debtors	1,596	1,160	1,843	1,398
Other debtors	11	11	26	26
Prepayments and accrued income	748	700	1,384	1,069
	2,355	1,871	3,253	2,493

Included in the group figures above are £2,007k of assets at amortised cost (2015-16: £2,767k). Included in the charity figures above are £1,869k of assets at amortised cost (2015-16: £2,038k). There are no assets measured at fair value through profit or loss, except for the investments disclosed in Note 11a.

13 Creditors: amounts falling due within one year

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Trade creditors	2,743	2,702	2,904	2,777
Amounts due to group undertakings*	-	1,137	-	1,115
Social security and other taxes	757	527	725	471
Other creditors	547	175	785	136
Accruals and deferred income	3,194	3,106	4,696	4,260
Amounts due to hospitals	1,507	1,507	1,135	1,135
	8,748	9,154	10,245	9,894

*The amounts due from group undertakings are trading balances and are therefore unsecured and do not attract interest.

Included in the group figures above are £7,607k of liabilities at amortised cost (2015-16: £8,933k). Included in the charity figures above are £8,276k of liabilities at amortised cost (2015-16: £8,836k). There are no liabilities measured at fair value through profit or loss.

Pension commitments are detailed in Note 20.

14 Provision for liabilities

The charity and the group identified an onerous contract in 2013-14 of £2,000k and the provision was expended by 27 March 2016 and all economic benefits are deemed to have been received under the contract.

No further provision set in 2016-17.

	2017 £'000	2016 £'000
At 28 March	-	1,231
Utilised	-	(626)
Released	-	(605)
At 26 March	-	-

Notes to Financial Statements for the year ended 26 March 2017

15 Funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes. The transfer of funds represent:

- movement of funds where the restriction or designation has been expended or lifted
- release of funds back to general reserves where projects in designated reserves have been completed and costs are below budget
- the creation of community services funds and closed hospital reserves out of the main hospital fund
- newly designated strategic funds during the year
- a transfer of funds from general reserves to hospital funds for sites that are underperforming and require central funds

Movement in funds					
Group	Note		Income & gains	Expenditure & losses	Transfers
		At 30 March 2015			At 27 March 2016
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	919	54	-	973
Fixed asset fund	(b)	74	-	(2)	72
Community centres fund	(c)	580	-	(8)	572
Food services fund	(d)	45	41	(15)	71
Other funds	(e)	854	2,257	(2,471)	640
Total restricted funds		2,472	2,352	(2,496)	2,328
Designated funds					
Services Welfare fund	(f)	599	25	-	624
Hospital fund	(g)	10,051	32,140	(33,403)	9,068
Fixed asset fund	(h)	4,554	791	(1,336)	3,509
Community centres fund	(c)	123	-	(2)	121
Community bank accounts	(i)	921	880	(906)	895
IT Investment fund	(j)	130	-	(53)	77
Vehicle finance fund	(k)	259	-	(24)	63
Fit for Future	(l)	1,201	-	(582)	619
Total designated funds		17,838	33,336	(36,306)	14,976
General funds		10,310	29,095	(29,607)	9,690
Total unrestricted funds		28,148	62,431	(65,913)	24,666
Total funds		30,620	64,783	(68,409)	26,994
		At 28 March 2016			At 26 March 2017
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	973	127	(49)	714
Fixed asset fund	(b)	72	-	(2)	98
Community centres fund	(c)	572	-	(17)	589
Food services fund	(d)	71	-	-	-
Other funds	(e)	640	2,725	(2,202)	1,232
Total restricted funds		2,328	2,852	(2,270)	2,633
Designated funds					
Services Welfare fund	(f)	624	-	(27)	350
Hospital fund	(g)	9,068	31,759	(32,677)	6,839
Community services commitments	(g)	-	-	-	739
Closed hospital reserves	(g)	-	-	-	1,084
Fixed asset fund	(h)	3,509	119	(750)	2,809
Community centres fund	(c)	121	-	(3)	125
Community bank accounts	(i)	895	754	(792)	857
IT Investment fund	(j)	77	-	(53)	24
Vehicle finance fund	(k)	63	-	(63)	-
Fit for Future	(l)	619	-	(337)	53
Strategic Fund - Innovation	(m)	-	-	(452)	271
Strategic Fund - Investment	(n)	-	-	(784)	736
Total designated funds		14,976	32,632	(35,938)	13,887
General funds		9,690	31,182	(27,210)	11,722
Total unrestricted funds		24,666	63,814	(63,148)	25,609
Total funds		26,994	66,666	(65,418)	28,242

Notes to Financial Statements for the year ended 26 March 2017

15 Funds (continued)

		Movement in funds			
Charity					
	Note		Income & gains	Expenditure & losses	Transfers
		At 30 March 2015			At 27 March 2016
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	919	54	-	973
Fixed asset fund	(b)	74	-	(2)	72
Community centres fund	(c)	585	-	(8)	577
Food services fund	(d)	69	41	(15)	95
Other funds	(e)	846	2,257	(2,471)	632
Total restricted funds		2,493	2,352	(2,496)	2,349
Designated funds					
Hospital fund	(g)	10,051	32,140	(33,403)	9,068
Fixed asset fund	(h)	4,549	291	(1,336)	3,504
Community centres fund	(c)	123	-	(2)	121
Community bank accounts	(i)	921	880	(906)	895
IT Investment fund	(j)	130	-	(53)	77
Vehicle finance fund	(k)	177	-	(18)	149
Fit for Future	(l)	1,201	-	(502)	619
Total designated funds		17,097	33,311	(36,300)	14,333
General funds		9,737	24,428	(24,813)	9,127
Total unrestricted funds		26,834	57,739	(61,113)	23,460
Total funds		29,327	60,091	(63,609)	26,809
		At 28 March 2016			At 26 March 2017
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	973	127	(49)	714
Fixed asset fund	(b)	72	-	(2)	98
Community centres fund	(c)	577	-	(16)	589
Food services fund	(d)	95	-	-	-
Other funds	(e)	632	2,724	(2,203)	1,232
Total restricted funds		2,349	2,851	(2,270)	2,633
Designated funds					
Hospital fund	(g)	9,068	31,759	(32,677)	6,839
Community services commitments	(g)	-	-	-	739
Closed hospital reserves	(g)	-	-	-	1,084
Fixed asset fund	(h)	3,504	119	(749)	2,809
Community centres fund	(c)	121	-	(3)	125
Community bank accounts	(i)	895	754	(792)	857
IT Investment fund	(j)	77	-	(53)	24
Vehicle finance fund	(k)	49	-	(49)	-
Fit for Future	(l)	619	-	(337)	53
Strategic Fund - Innovation	(m)	-	-	(452)	271
Strategic Fund - Investment	(n)	-	-	(784)	736
Total designated funds		14,333	32,632	(35,896)	13,537
General funds		9,127	28,137	(24,195)	10,898
Total unrestricted funds		23,460	60,769	(60,091)	24,435
Total funds		25,809	63,620	(62,361)	27,068

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

- The legacy fund comprises monies that must be used according to specific terms laid down by the legator. The fund is represented by the level of outstanding restricted legacies.
- This represents the net book value of properties purchased with restricted funds and the balance reduces each year with the relevant depreciation charge.
- The community centres fund represents funding from donors for the enhancement of community centres. The depreciation of the capital cost, which is included in fixed assets, is charged against this fund.
- Food services fund represents income and expenditure within restricted grant funded food projects. All funds expended and grants repaid where applicable.
- Other funds represent trust and corporate income received which is to be spent in accordance with the wishes of the donor and will be expended in the following year.

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

Notes to Financial Statements for the year ended 26 March 2017

15 Funds (continued)

- f) Services welfare fund contains the income and expenditure from the MOD contract.
- g) Hospital fund. Royal Voluntary Service has an obligation over a period to direct the 'surplus' earned in certain hospital services either to that hospital or for refurbishment of that service, subject to a retention of monies to fund the ongoing working capital requirements of each service. The arrangements that Royal Voluntary Service has with hospitals do not involve advance undertakings to pay specific amounts on specific dates to specific hospitals. However, these general obligations become specific ones when Royal Voluntary Service communicates with the hospital making a grant offer or a proposal to refurbish the service. The Trustees believe that these general obligations should be treated as unrestricted designated funds until such times as they become specific in nature. RVS is working with the trusts to expend these reserves in line with lease expectations and agreed timeframes. In 2016-17, the transfer of funds includes: £512k from general reserves to hospital sites which are underperforming and require central funds and a movement from the hospital fund of £739k to community services commitments and £1,084k to the closed hospital reserves.

Community services commitments - these funds are earmarked for developing services managed by Royal Voluntary Services and will be expended within one year.

Closed hospital services represents surplus funds which will be utilised to develop retail strategy over the next two years.

- h) The fixed asset fund represents the written down value of tangible fixed assets, excluding those held as restricted funds or other designated funds and will be expended in line with depreciation policies.
- i) Community bank account fund represents those funds held in community project bank accounts that have been raised by community projects, and for which the Trustees consider the funds raised should be used in the community project that the money has been raised by.
- j) The IT investment fund includes expenditure for the upgrade of our finance system and is due to be fully expended by September 2017.
- k) Vehicle finance fund finances vehicles for service delivery and central support functions. This fund was fully expended in 2016-17 and vehicles are now being replaced within the first year under the new leasing contract.
- l) Fit for the Future programme represents the balance on the restructuring project and the remaining IT expenditure for server replacement will be concluded in 2017-18.
- m) The Strategic Fund Innovation invests in three distinct projects, in line with strategic goals. We aim to develop services to increase the Charity's impact; "build one Royal Voluntary Service" by investing in our people by rolling out cultures and values and people management training and improving the volunteer journey. We will improve our marketing brand and develop a digital strategy to facilitate growth in reach and impact of the charity in the future. These funds will be expended by March 2018.
- n) The Strategic Fund Investment has been set up in line with our strategic objective to Grow Retail and includes allocated monies to refurbish 17 key hospital shops and cafes, finalise the rebranding roll out and to secure leases for future income generation. All funds will be expended by the end of March 2018.

16 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
2016				
Fund balances at 27 March 2016 are represented by:				
Fixed assets		3,707	644	4,351
Fixed asset investments	12,226	9,068	-	21,294
Net current assets	(2,536)	2,201	1,681	1,346
Net assets	9,690	14,976	2,328	26,994

2017

Fund balances at 26 March 2017 are represented by:

Fixed assets	-	2,958	687	3,645
Fixed asset investments	13,100	8,662	-	21,762
Net current assets	(1,378)	2,267	1,946	2,835
Net assets	11,722	13,887	2,633	28,242

Charity

2016				
Fund balances at 27 March 2016 are represented by:				
Fixed assets	-	3,702	649	4,351
Fixed asset investments	12,226	9,068	-	21,294
Net current assets	(3,099)	1,563	1,700	164
Net assets	9,127	14,333	2,349	25,809

2017

Fund balances at 26 March 2017 are represented by:

Fixed assets	-	2,958	687	3,645
Fixed asset investments	13,100	8,662	-	21,762
Net current assets	(2,202)	1,917	1,946	1,661
Net assets	10,898	13,537	2,633	27,068

Amounts shown above in respect of tangible fixed assets represent fund balances for fixed asset funds and community centres fund.

Notes to Financial Statements for the year ended 26 March 2017

17 Financial and capital commitments

Operating leases

At 26 March 2017 the commitments under non-cancellable operating leases were as follows:

Group	Land and buildings		Other	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Expiring:				
- within one year	1,302	1,351	66	60
- within two to five years	1,941	2,634	18	8
- thereafter	1,930	2,119	-	-
Total	5,173	6,104	84	68
Charity				
Expiring:				
- within one year	1,301	1,341	60	54
- within two to five years	1,941	2,633	18	8
- thereafter	1,930	2,119	-	-
Total	5,172	6,093	78	62

Capital commitments

At 26 March 2017 the group and charity had capital commitments of £nil (2015-16: £0.05m).

18 Related parties

The only relevant related party transactions as required by FRS102 at 26 March 2017 are with the subsidiaries of the charity:

Charity intercompany balances at year end

WRVS Services Welfare Limited

Royal Voluntary Service Meals on Wheels Limited

2017	2016
2	(20)
(1,139)	(1,095)
(1,137)	(1,115)

In 2016-17 the following transactions took place between the charity and its wholly owned subsidiaries:

WRVS Services Welfare Limited

Payments are made on behalf of WRVS Services Welfare Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC.

Royal Voluntary Service Meals on Wheels Limited

The transfer under gift aid of the trading profits of Royal Voluntary Service Meals on Wheels Limited to the charity of £157k (2015-16: £263k); this balance was outstanding at year end.

Payments are made on behalf of Royal Voluntary Service Meals on Wheels Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC.

19 Contingent liabilities

The charity has, together with certain of its subsidiaries, a continuing joint and several liability to HM Revenue and Customs under group registration for VAT. The amount guaranteed by the charity at 26 March 2017 was £188k (2015-16: £213k).

20 Pension commitments

Royal Voluntary Service Meals on Wheels Limited

Royal Voluntary Service Meals on Wheels Limited is a scheduled member of the Essex Pension Fund an admitting authority to the Local Government Pension Scheme (LGPS) a multi-employer scheme. Any surplus or deficit relating to employees transferred from Essex County Council under TUPE arrangements under certain contracts has become the surplus or deficit of the company. The company has paid contributions of £2,488 (2015-16: £2,464) under this arrangement. The company has one employee who was a member of this scheme. Accordingly no further details of this scheme are provided or included in the 2016-17 financial statements on the grounds of immateriality.