

ROYAL VOLUNTARY SERVICE

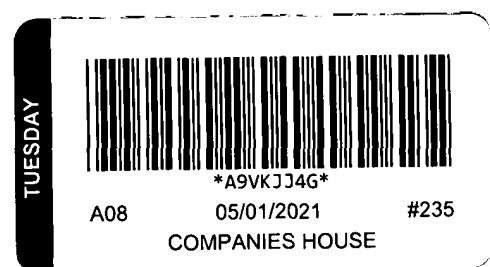
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDING 29 March 2020

CHARITY NUMBER: 1015988

CHARITY NUMBER (SCOTLAND): SCO38924

COMPANY NUMBER: 2520413



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We are pleased to present Royal Voluntary Service's Trustees' Annual Report and Financial Statements for 2019-20.

Letter from our Chair, Stephen Dunmore and CEO, Catherine Johnstone CBE

We are living through extraordinary and challenging times. Charities face a trio of threats - a global pandemic, changes to the UK's European status and the prospect of a serious economic downturn. Recent events have shown that Royal Voluntary Service stands ready to respond to these challenges at both strategic and operational levels.

The appetite amongst the British public to volunteer to help others is undimmed. Their commitment has enabled the charity to play a major role in the nation's response to COVID 19. The way in which our volunteers and staff once more answered the nation's call for help is remarkable. They are a huge credit to Britain and to our charity.

Our mission is to inspire the gift of voluntary service to meet the needs of the day, and in the second year of our 5 year strategic plan we made good progress against all our key outcomes. Our volunteers continued to deliver vital impact, supporting vulnerable people to recover and stay well within the NHS and in their communities. We are also particularly proud of the work we have done in disadvantaged communities, where volunteering has so much to offer. This has been an increasing focus of our work, which we aim to continue. An incredible 3.2 million hours of voluntary service were provided during 2019-20.

We also launched our flagship volunteer recruitment campaign, Step Forward, a vibrant, inclusive call to arms for everyone to 'volunteer their talent' whatever that may be. This inspired enquiries from new volunteers of all ages and backgrounds. The need for greater inclusivity in volunteering was made clear in our report 'Kick-Starting a New Volunteer Revolution' which we undertook with CASS Business School. This enjoyed a wide audience and dove-tailed with our increasing presence at policy and thought leadership tables as volunteering has risen up the political agenda.

We worked hard during the year to enhance our volunteers' experience, underpinned by safeguarding and compliance. As part of our successful Investors in Volunteering (IIV) reaccreditation, we were pleased that IIV noted our positive practice in diversity and inclusion. This is an area of great importance for us as a community charity and we are committed to develop it further in the coming year.

We have worked shoulder-to-shoulder with the NHS throughout the year, not least in response to COVID 19. We strengthened relationships with NHS organisations and undertook important pilots as part of the HelpForce programme to quantify the impact of volunteer support. At the tail-end of the year, we created NHS Volunteer Responders (NHSVR) for NHS England, a unique micro-volunteering programme enabled by the GoodSAM app. This service, in response to the pandemic, has shown us at our best, recruiting almost 600,000 volunteers within 4 days.

The role of Royal Voluntary Service at the frontline of the COVID 19 response has put a laser-focus on service delivery. From the outset our teams demonstrated remarkable resilience and innovation. While mobilising NHSVR in March, we were simultaneously pausing our hospital based trading activities and transitioning community services to COVID-safe models.

Our Services Welfare team continued to provide support to young soldiers on army bases. This work is incredibly important and is highly valued by the chain of command in the Ministry of Defence.

Our dynamic response was possible because of work already delivered in the first phase of our strategic plan. To ensure our continued focus and direction, we undertook a careful realignment of our resources. This included making sure that we had the right roles in the right places. Whilst our realignment included a small number of redundancies, it helped us avoid the more significant cuts that others subsequently made during the first phase of the pandemic. Investments in technology in 2019-20 also proved vital, as many colleagues were able to switch to remote-working without major upset.

Much of our work this year has been funded by long-term partners. We would like, in particular, to say thank you to players of the People's Postcode Lottery, to Legal & General, to M&G Prudential and to People's Health Trust for their on-going support and partnerships.

We pay tribute to all our volunteers and staff for their outstanding determination and dedication. We would also like to thank our President, HRH Duchess of Cornwall, who has again given generously of her time to visit numerous services and to meet with many of our volunteers, staff and clients. Her invaluable support demonstrates the importance she places on volunteering in our communities.

Thanks are also given to our previous Chair, Richard Greenhalgh, for his enormous contribution to the charity; Richard led the charity's Board of Trustees through the past 7 years until his retirement in September 2019. We have since recruited 6 new Trustees who commenced their roles in May 2020. Each brings diverse and exceptional skills and experience.

Finally, we couldn't be prouder of Royal Voluntary Service and its response to COVID 19. Just as the global pandemic will change many aspects of life for the long-term, it will also change our charity forever. We must be faster to innovate and quicker to respond; but most importantly we will make it easier still for everyone, whoever they are, to volunteer to meet the needs in their communities.



Stephen Dunmore OBE, Chair



Catherine Johnstone CBE, CEO

Trustees' Report, including Strategic Report

Our Vision, Mission and Values

Royal Voluntary Service puts voluntary service at the heart of our purpose. Like our founders, we will be prepared to address the needs of the day whatever they are.

Vision People across Britain are engaged in voluntary service – freely giving their time, talent and life experience to help tackle pressing challenges in their communities. Their service makes them, and Britain, healthier and happier.				
Mission Inspiring and enabling people to give the gift of voluntary service to meet the needs of the day in their communities.				
Stella Values Stronger Together Better When Simple Spark Brilliance Care and Protect Step Forward.				
Outcomes: the difference we want to make by 2023				
1 More people are giving their time, talent and life experience to voluntary service	2 More older people move from crisis to confidence	3 The NHS has been enabled to maximise the gift of voluntary service to make more time to care	4 More older people are connected to their communities	5 Key organisations and influencers support our philosophy of voluntary service
Essential enablers Diversify our income Communicate who we are Support our employees Support our volunteers Look after our property Develop our technology Manage our finances				

Making a Difference

In 2019-20 we achieved significant progress towards our 5 key outcomes in our strategic framework which remains our reference point for all strategic decision-making and plans. Our strategy remains highly relevant amidst the changed environment and we expect to continue with our positive progress into 2020-21 despite the unusually challenging context of COVID 19.

1. More people are giving their time, talent and life experience to voluntary service

What we have achieved in 2019-20:

Giving the gift of voluntary service benefits the volunteer as much as the recipient of help. As such it is our duty to expand as far as possible the opportunities to take part as well as making the experience of volunteering as positive as it can be. Our aspiration is to develop a world class volunteer journey and during the year we continued to deliver our Volunteer Plan, with a focus on volunteer engagement and compliance. Towards the end of the year, we were called upon to support the COVID 19 response, mobilising a new national army of volunteers – the NHS Volunteer Responders.

Throughout the year we also welcomed thousands of Royal Voluntary Service volunteers – across all ages and backgrounds - to our organisation through our new advertising programme, Step Forward. And we supported the Helpforce project with large scale volunteer on-boarding following a call to action in the Daily Mail newspaper which saw 30,000 volunteers apply to support the NHS. We partnered with NHS England and GoodSAM to recruit and on-board an additional 600,000 volunteers in 4 days to support the response to COVID 19

We:

- welcomed 3,489 volunteers to Royal Voluntary Service
- ran significant brand and recruitment Step Forward marketing campaigns in 5 locations encouraging specific groups aged 18-25 and 45-60 to volunteer for the first time. Our brand profile rose from 40-50% where the campaign was live and 3,364 volunteer enquiries were generated as a result
- were reaccredited for the Investors in Volunteering standard
- undertook a large scale programme of Volunteer Compliance training growing participation from 38%-80%. 95% of our volunteers completed specific Safe and Legal training encompassing essential requirements including safeguarding and data protection and
- delivered our volunteer engagement programme, expanding it to include our Volunteer Magazine, regular e-communications and a series of 6 face-to-face volunteer celebration events at prestigious venues, and a further 70 community based get-togethers

Over 2,600 volunteers completed our annual National Survey of Volunteers in 2019. Once again, the results show the power of volunteering to make lives better.

- 93% of our volunteers felt that being part of the Royal Voluntary Service helped them make a positive contribution to their community or the NHS
- 79% said it helped them feel more connected to their community
- 86% said it gave them a sense of purpose
- 70% said it allowed them more social contact
- 69% said volunteering helped them to better understand people from different walks of life.
- 40% of under 50s said volunteering had helped them to find paid work

Our volunteers delivered support and services across a wide range of areas and activities throughout the year contributing £35.5m of value to our work (applying Kings Fund research to our data).

In 2020-21 we will:

- support volunteer mobilisation and the development of our micro-volunteering practice in the NHSVR programme
- redesign our regular Royal Voluntary Service volunteer roles to be COVID-19 safe during the pandemic and develop a policy on over 70s volunteering through COVID 19
- support our more vulnerable volunteers emotionally and practically during COVID 19
- recruit and welcome a new cohort of younger volunteers into our Retail settings
- support the safe return of RVS volunteers to fulfilling volunteering opportunities
- continue to support the well-being of volunteers who remain unable to return to their services through e.g. check-in and chat calls
- develop a pathway between NHSVR volunteers and regular Royal Voluntary Service volunteering

2. More older people move from crisis to confidence

What we have achieved in 2019-20:

- transitioned our Supporting You At Home, Supporting Your Recovery and Healthy and Happy Lives services into new service models to improve service delivery. We supported over 297,000 interactions with individual clients through these services. A total of 11,789 people have accessed support and moved on during the year, reducing dependency. Our clients have benefited enormously from our support as shown by our annual National Client Survey
 - 69% are more able to cope with challenges or difficulties
 - 79% of clients said they had been helped to do important things they enjoy
 - 75% have more social contact and spend time with other people
 - 74% feel more a part of their community
 - 96% would recommend Royal Voluntary Service to family and friends
- developed our falls offer to enable us to better support those clients at real risk of hospital admission and physical and mental decline following a fall
- grew our dementia services portfolio through partnership with Alzheimer's Society. We agreed to bring over 16 services with a total of 350 clients moving across to Royal Voluntary Service

- delivered our final year of resilience projects as part of the Drink Wise, Age Well programme. The programme is a UK wide initiative, led by We Are With You and funded by the National Lottery Community Fund, aimed at helping people aged 50 and over to make healthier choices about alcohol as they age. Participants in the resilience programme reported improvements to their emotional health and their relationships with others. During the final year of delivery, a key focus for local teams was supporting participants to form independent groups that could continue to meet to offer friendship and support after the project ended
- towards the end of the year (March 2020) we undertook the rapid adaption of all our services to COVID-safe models of care – this included 273 commissioned services and we have supported every service user throughout the COVID 19 period
- through our work in Services Welfare, we supported 465,000 young unaccompanied soldiers on their army bases.

In 2020-21 we will:

- develop a prioritisation framework for reinstating face-to-face service delivery during COVID 19 and prepare plans which are easily reversible in the event of local or national lock-downs
- enhance our COVID-Safe delivery models to support vulnerable people and their carers using new content to support physical activity and peer support
- review our Reporting Outcomes Framework as part of our ongoing improvement and communication with our commissioners
- review our Home from hospital delivery models with an exploration of a 'Home from Hospital' light variant
- further develop our stakeholder relationships with regular communications including via our new regular newsletter
- forge and develop new relationships in Services Welfare with the army management team and continue to enhance service delivery and refresh training our people

3. Enabling the NHS to maximise the gift of voluntary service to make more time to care

What we have achieved in 2019-20:

During the year we developed and deepened our support of the NHS. In March 2020, we successfully tendered for the NHSVR programme to support vulnerable people during COVID 19. This unique, micro-volunteering programme is commissioned by NHS England and is extraordinary in every way. It enables us to help protect the NHS from avoidable admissions during the pandemic.

Another key focus of our work during 2019-20 was delivering our Step Up campaign to promote and extend the reach of our NHS Offer. Through this initiative we invited NHS Trusts and Health boards to fund sustainable Royal Voluntary Service volunteer activity in their hospitals using income generated by us in a hospital setting. In total 19 new relationships were established and are progressing including Greater Glasgow & Clyde, Manchester Royal Infirmary, Royal Sussex and Royal Liverpool.

Through the year we also:

- delivered support in over 177 hospitals across England, Scotland and Wales and were active in 37% of Trusts and Health Boards
- made a financial contribution to the NHS through gifting and rental arrangements of almost £2.5m (defined as Other in note 6 of the financial statements)
- funded and led effective and fully evaluated pilot projects as part of the Helpforce programme in two Hospital Trusts; Leeds Infirmary and Morecambe Bay, contributing to understanding of best practice in volunteer support in hospital settings
- developed new branding for our hospital retail outlets and tendered for a new coffee provider to improve the experience of NHS staff, patients and visitors using our services
- built our profile in the public sphere as a partner of the NHS through specialist and public facing media engagement including a notable research study revealing the lack of visitors to many patients, and the vital role of 'on-ward volunteering' to support them. Media exposure reached 85% of the GB population and generated over 1 million 'opportunities to see'
- in response to COVID 19, we paused our retailing in hospital cafes and shops to protect staff and (often older) volunteers during the height of the pandemic. Three units remained open in agreement with NHS Trusts where there was no viable alternative and our teams were eager to maintain support

In 2020-21 we will:

- continue to deliver the NHSVR programme to meet the changing needs of NHS England and vulnerable people as the pandemic evolves
- evaluate the NHSVR programme and work with NHS England to explore and develop its future role
- engage the NHS to discuss how Royal Voluntary Service can provide further support for Winter Pressures
- undertake strategic meetings with Commissioners within the NHS and Government to develop our relationship further and help set the agenda for volunteering in the Integrated Care System through the COVID 19 recovery period and beyond.
- manage the safe reopening of our retail units in hospital settings, re-establishing our portfolio
- introduce new services such as Click and Collect
- launch new produce ranges with WH Smith and SPAR and implement the branding roll-out and the improved coffee offer

4. More older people are connected to their communities

What we have achieved in 2019-20:

Royal Voluntary Service runs a vibrant and varied range of community activities designed to support the well-being, resilience and social connections of older and vulnerable people. In recent years these have expanded further to include more dynamic and contemporary opportunities. Many of these services are run by volunteers themselves. Their impact is

profound, frequently providing participants with their entire social engagement with their communities. A great deal of this work is made possible by the generous funding of our partners.

In March 2020 the majority of these activities were temporarily paused due to COVID 19. To mitigate this we simultaneously launched our Virtual Village Hall – an online venue hosting a lively selection of tutor-led classes and activities via Facebook Live and pre-recorded video. These are designed to reduce boredom, maintain physical activity, and improve connectedness and well-being during COVID 19.

During the year we:

- had support from Players of People's Postcode Lottery enabling us to set up 55 new local volunteer groups and provide better support to our existing network of 488 branches, helping them to run a huge variety of activities that support people's health and wellbeing safely and sustainably. Over 15,000 older people this year benefitted from our community based, volunteer led activities
- continued the delivery of First Time for Everything in 22 locations in partnership with M&G (formerly Prudential). This community project provides exciting opportunities for older people to try an entirely new activity, among a group of people who are also 'first timers'. We held 310 events supporting 4,572 clients with activities ranging from Bollywood dancing to silent discos to paddle boarding and digital photography
- continued to deliver our Local People projects in six communities which are most affected by health inequalities. This work is funded by the People's Health Trust using money raised by the Health Lottery. Each project aims to work with local residents to influence the social determinants of health that older people identify as priorities for their neighbourhood. The projects have been particularly successful in improving people's social connections and providing those involved with opportunities to increase their knowledge, confidence and wellbeing. During the year, over 800 people were regularly benefitting from a wide range of activities, including Tai Chi, Singing for Health groups, Arts & Wellbeing groups and schemes to provide accessible transport. Residents have been successful in influencing their local areas through the actions they take and as the projects progress, a key focus will be on supporting them to effect greater change by influencing decision makers in their areas
- as part of a partnership, funded by the National Lottery Community Fund and led by The Soil Association, supported volunteers to set up local groups running 13 local engagement events across the country Food for Life Get Togethers are regular community activities that connect people from all ages and backgrounds through food. Developed training and resources meeting the needs of different communities in support of our national Community Companions project, funded by the Asda Foundation, which is focussed on increasing our capacity and expertise to grow Community Companions groups providing companionship and practical support to older people in their neighbourhoods.
- continued to deliver our much loved Home Library services providing support to 7,500 frequently house-bound older people, sharing a love of books alongside friendly conversation
- closed 3 community centres, following a review of charity finances. This was difficult work – and very sad for local volunteers and clients - but reflected the need to direct funds to activity providing the most impact

In 2020-21 we will:

- maintain support of our existing volunteer-led portfolio, while pausing development of new initiatives (during COVID 19)
- continue to expand and promote the Virtual Village Hall – engaging new presenters and driving up participation and reach
- maintain delivery of the Local People’s Programme to support local areas most affected by health inequalities
- develop our framework for re-instating face-to-face service delivery with in-built flexibility to support future lockdowns as required

5. Key organisations and influencers support our philosophy of voluntary service

What we have achieved in 2019-20:

Throughout the year we invested in thought-leadership and strategic level engagement to help shape the agenda around the value and principles of voluntary service in Britain. This included the development of our flagship research programme ‘*Kick-starting The New Volunteer Revolution*’ in partnership with CASS Business School which proved a galvanising topic for discussion at many conferences and events, including one held at CASS itself and another hosted by corporate partners, Legal & General. This programme has enabled us to take a leadership position on the importance of making volunteering accessible to people from all backgrounds and its benefits to individuals and society.

In the year we also:

- maintained engagement with the Richmond Group of Charities. Our active participation with this group allows us to share knowledge and influence Government where interests align
- worked with the Richmond Group to develop the ‘We Are Undefeatable’ campaign – a communications programme encouraging those with multiple health conditions to exercise to improve their health and well-being
- developed our engagement with Public Health England around the healthy eating agenda
- enjoyed the valued support of HRH The Duchess of Cornwall who attended several events: taking a hospital refreshment trolley around with ambassador Elaine Paige in Leicester Royal Infirmary, joining an amazing showcase of our community activities at our Banbury community centre and attending a First Time For Everything event at the Greenwich Fan Museum

In 2020-21 we will:

- continue to take our seat at the policy table, contributing to cross-government understanding of volunteering and seeking opportunities to present Royal Voluntary Service effectively to Government and wider stakeholders
- launch a regular bulletin for MPs and Local Authority leaders to inform them of the difference Royal Voluntary Service is making
- undertake a research programme in partnership with Public Policy Projects to explore the future role of volunteering in the integrated care system through the COVID 19 recovery
- explore the appetite for volunteering in the NHS through winter, examining attitudes of frontline staff and volunteers themselves

- develop our second wave of our thought-leadership programme: Kick-starting a New Volunteer Revolution 2 where we intend to explore in more detail the potential of volunteering to support areas of greater social deprivation

Other achievements in the year

Crucial to the charity's future is the investment we are making in our IT infrastructure. During the course of the year we began delivery of the first phase of our Technology Transformation Programme which, overall, is a £3.4m project. This reaped rewards for the charity in improved network security and stability and new videoconferencing facilities. This investment proved vital when suddenly, because of COVID 19, all our staff needed to switch to remote working with office staff assuming home-based roles and our services translating to non-contact models. The investment also paid dividends when the charity was subjected to a ransomware attack. This was fortunately managed without undue damage.

Our new People Plan has enabled the development of our new Employee Portal where staff can manage their holiday entitlement, access key information and support their well-being at work. The People Plan will continue to develop with a focus on learning and development, recruitment and equality, diversity and inclusion.

Charity governance has been under great scrutiny in recent years and rightly so. Recognising the importance of regularly revisiting governance frameworks, we undertook a review of our Risk Register to ensure Trustees were up-to-date on the current risk profile of the charity across all areas of our work. We also undertook a survey of the effectiveness of our Board using a questionnaire. The results of the questionnaire were used to introduce changes to the way in which the Board meets and manages its time.

Finally, our archive is prized by the charity and during the year we digitised 1,000s of photographic images to enable wider access. This will allow us to better tell the story of our charity from the earliest days to the modern era. We did exactly this when asked to stage an exhibition at Kelvingrove Museum in Glasgow. This showcase of Royal Voluntary Service in prestigious surroundings was a wonderful way to reveal the role we have played since 1938, how throughout, we have inspired the gift of voluntary service to meet the needs of the day.

Fundraising

Our charity relies on the generous donations of partners and individuals to support our work. During the year we continued to develop our priority income streams across our portfolio. This broad base has stood us in good stead as we entered the COVID 19 pandemic – while some streams were paused, others were able to quickly activate to present compelling appeals to our supporters. In March 2020 the development of a comprehensive £5m COVID 19 appeal was already underway.

In 2019-20 and in line with our fundraising plan we:

- established and grew our face-to-face fundraising team in Manchester to develop our donor base of regular givers to the charity thereby building our unrestricted income

- launched our Christmas appeal online to explore the opportunities for Royal Voluntary Service in digital giving, this learning has now been applied to further investment
- partnered with 10 national businesses who generously funded our work and expanded the range of organisations we engage with at regional level (11 additional partnerships)
- secured support from 74 charitable trusts, foundations and lottery distributors
- launched and delivered our Retail Fundraising Week raising £18,000
- expanded our challenge events programme and established a set of new fundraising events: our Big Quiz and Vintage Tea Party. We brought in 90 new supporters with these activities
- held a series of 6 legacy presentations with our service colleagues across Great Britain to explain this valuable type of giving to our volunteers and supporters
- developed our donor stewardship and updated our fundraising policy. We also updated our complaints process and trained our fundraising team on the new Code of Fundraising Practice

During the year we have not directly used third party professional fundraisers or commercial participators. We have worked with partner agencies (Flow Caritas and Pick) to deliver high-quality temporary fundraisers working on our behalf. We train our face to face fundraisers with a bespoke training programme which they must complete successfully before undertaking any fundraising for us. This includes a specific module on protecting vulnerable people which has been written for us by a specialist psychologist. All our fundraisers are managed by team leaders and regional face to face fundraising managers. This structure provides a clear line management structure and a point of escalation if there are issues of concern. All of our teams are trained on the Fundraising Regulator's Code of Fundraising Practice around face to face fundraising and we are regularly mystery shopped by the Chartered Institute of Fundraising's mystery shopping team. We do not undertake any door-to-door fundraising to avoid potential intrusion and we conduct a robust quality control exercise by calling all new donors once they have signed up to ensure they are happy to support.

We are registered with the Fundraising Regulator, demonstrating our commitment to good fundraising practice and are committed to the Fundraising Regulator's Code of Fundraising Practice and Fundraising Promise. We are authorised to use the Fundraising Regulator's badge on our fundraising materials. We have signed up to receive suppressions under the Fundraising Preference Service and we have received 11 requests through this channel during the year. We received 8 complaints about fundraising during the year, all of which were dealt with in line with our fundraising complaints policy and procedure. This is a low number compared to the volume of fundraising activity we undertake and reflects the careful approach we take to ensure we do not bombard donors, and that the content of our fundraising is appropriate. When we create fundraising materials we review it against robust standards including those established with our psychologist to ensure we protect vulnerable people. Our 'in aid of' fundraising is supported by our supporter care manager and our community fundraising manager who provide clear guidance and stewardship to those undertaking fundraising events on our behalf.

In 2020-21 we will continue to review activity in line with guidance surrounding COVID 19 and make appropriate adjustments to our choice of fundraising channel. Through the course of the year we will focus on COVID 19 appeals – inviting corporate partners, trusts and foundations and

individuals to support our work on the frontline. We also expect to launch our new Royal Voluntary Service lottery and further explore online fundraising and virtual fundraising events.

The Environment

Royal Voluntary Service considers its social responsibility and carbon footprint of high importance. The Trustees supported by the Chief Executive Officer and the Leadership Team has overall responsibility for our approach to sustainability.

Our main operations are a mix of office based activities and retail spaces within NHS Hospital Trust properties and are considered to have a relatively low impact on the environment.

During 2019-20 and in line with the new Greenhouse Gas Protocol and Streamlined Energy and Carbon Reporting (SECR), we commissioned a report with Elemental Consulting Group. As required by the Greenhouse Gas Protocol, the report looked at Scope One – natural gas used for space, water heating and business transport emissions; and Scope Two – imported electricity.

To support our commitment to the environment, our main office in Cardiff, has replaced the air conditioning system, installed office lights fitted with motion sensors where it is applicable and energy efficient lighting is used throughout the building. We supply point of use drinking water and do not supply plastic or paper cups. Solar photovoltaic panels installed on the roof generate approximately 30% of the site electricity requirement, resulting in a more efficient use of electricity. We have invested in an improved maintenance regime for the solar power which has helped increase the volume of electricity generated. Implementation of separate recycling bins within the office and separate waste for weekly collection has been established. Paper and cardboard collection points are provided within the main office and toner cartridges are recycled.

During the year the Charity complied with the Energy Saving Opportunity Scheme (ESOS) requirements with recommendations to consider energy reduction opportunities and transport reduction options. Working with a third party assessor (Digital Energy Solutions) the findings were submitted to Esos-Gov.uk ensuring compliance with ESOS Phase 2.

Report Output

The third party assessor gathered data regarding scope one and scope two carbon emissions (as defined by the Greenhouse Gas (GHG) Protocol) for the financial year ended 29 March 2020 from its UK Operations, for inclusion in Company Reporting (2019) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation.

Unit	Scope 1		Scope 2
	Natural Gas KWh	Transport Miles	Electricity Imported KWh
Raw Quantity	393,160.00	445,852.00	392,722.77
KWh	393,160.00	538,436.00	392,722.77
Conversion Factor	0.18385	0.27901	0.2556
Tonnes of CO2 equivalent (tCO2e)	72.28	124.40	94.50

The combined scope one and scope two carbon emissions for the period was recorded at 291.18 TCO₂e; the energy consumed is 1,301,319 kWh with 41% (fleet) relating to transport use, 30% from use of natural gas for heating and 29% electricity consumed; and the Specific Carbon Consumption (SCC) is calculated at 5.483 kgCO₂e/£k of revenue, excluding management fees and recharges.

Our Financial Review

In line with our 5 Year Strategic Plan and investing for a sustainable environment for the future, Royal Voluntary Service delivered a deficit in the year of £5.1m (2018-19: deficit £5.5m). This deficit is in line with the charity's expectations and reflects timing differences between income received and the delivery of services. Such timing differences are the expenditure commitments associated with the 2017-20 income from the People's Postcode Lottery, the investments needed to deliver the strategic plan and commitments to support NHS organisations.

Income of £53.8m was generated compared to 2018-19 at £53.0m and reserves are £18.4m at the end of the year compared to £23.6m in 2018-19.

Operating income

During the year a total of £53.8m (2018-19: £53.0m) income arose from the following sources:

- hospital shops, cafes and trolleys £37.9m (2018-19: £40.8m). The reduction in income reflects the closures of 9 outlets with a loss of £0.9m sales and the drop in like for like sales which were tracking up by 1.4% at the end of February, then due to COVID fell to -1.3% by the end of March (2018-19: down 1%)
- fundraising, see note 2 of the financial statements, which is comprised of voluntary income and activities for generating funds, £8.7m (2018-19: £4.2m). This includes £4.6m of income generated to fund specific services and projects until March 2021 (2018-19: nil) from six lottery draws managed by People's Postcode Lottery (see notes 4 and 14 of the financial statements). Voluntary donations £2.1m (2018-19: £2.2m); trusts £1.8m (2018-19: £1.6m) and other £0.2m (2018-19: £0.4m)
- community services generated income of £4.4m (2018-19: £4.9m) with the reduction driven by the closure of final Meals on Wheels services £0.5m
- Services Welfare £2.5m (2018-19: £2.7m)
- other £0.3m (2018-19: £0.4m)

Operating expenditure

Total operating expenditure for the year was £58.9m (2018-19: £58.8m) and was spent on the following areas:

- hospital shops, cafes and trolleys retail services £39.7m in the year (2018-19: £40.0m) - the reduced costs are due to: goods for resale being £1.2m lower at £21.5m (2018-19: £22.7m) as a result of the closed services and lower sales, which has been offset by higher support costs at £4.4m (2018-19: £4.1m) and higher running costs in March 2020 due to store closures as a result of the pandemic
- community services £14.8m (2018-19: £14.5m). The direct cost to deliver services at £7.4m (2018-19: £7.8m) has reduced by £0.4m and is mainly due to the closure of the remaining food services £0.5m, which is offset by additional costs to increase our impact and capacity in the community of £0.1m. Allocation of support costs have increased by £0.7m to £7.4m (2018-19: £6.7m) reflecting our commitment to improve the technology infrastructure and campaign to recruit volunteers
- fundraising £2.0m (2018-19: £1.6m). This expenditure reflects the plan to increase donor “face to face” recruitment in major cities in the UK and building community fundraising capacity
- other costs £2.4m (2018-19: £2.7m). At £2.3m Services Welfare expenditure is slightly lower than prior year (2017-18: £2.5m). At £0.1m investment management costs have remained static

Support costs are included in the activities above and listed in note 6 of the financial statements, and amount to £12.8m (2018-19: £11.6m). This reflects investment in our IT infrastructure via the Technology Transformation Programme following a detailed review undertaken by external consultants in 2018-19; growth in the fundraising team to deliver the strategic plan objectives; and restructure costs incurred at the end of 2019-20 to realign resources and activities to the Corporate Plan.

Investments

During 2019-20 the overall portfolio reduced by £6.6m including:

- Net gains on investments in the year of £14k (2018-19: £0.2m) which includes realised gains achieved in the year from trading activities £0.8m (2018-19: £1.3m) and an unrealised loss to reflect year on year changes in market value of £0.8m (2018-19: £1.1m). At the lowest point in March 2020 the UK stock market was down 25% in the wake of the COVID pandemic, but had slightly improved by the end of the year. Due to the de-risking of the portfolio in 2019 undertaken by RVS the losses were not as severe as they could have been.
- Release to cash £6.6m to fund strategic investments required within the Corporate Plan and satisfy the Liquidity Reserve Policy “to fund actual and planned expenditures over an approximate two year period”. As a result of which, a review of investment managers was undertaken and following independent professional advice, Trustees agreed to

reduce portfolio managers from 3 to 2. In January 2020 the holding at Ruffer was fully redeemed and the proceeds returned to cash.

- Investment management fees £0.1m (2018-19: £0.1m).

The return on investments included in operating income in 2019-20 was £0.1m (2018-19: £0.3m) and the reduction is in line with the structure of the funds which aim to achieve annual growth rather than a monthly income.

At 29 March 2020 the balances on the portfolios' are:

Manager	2020	2019
Cazenove	£5.1m	£6.0m
Ruffer	-	£5.7m
Sarasin	£5.7m	£5.7m
Total	£10.8m	£17.4m

Within the charity funds, the income objective of the portfolio is to achieve a benchmark rate of return of 2.5% per annum, after fees and costs, above the rate of UK Consumer Price Index. Due to the change in fund managers and portfolios during the final quarter and the downturn in March 2020 due to the effects of COVID, the annual performance is complex to quantify. However, information available at the year-end indicates a combined portfolio performance of -3.4% compared to the benchmark of 4%, mainly driven by the quarter 4 results.

The capital objective is to maintain a diversified portfolio, with equities representing no more than 70% of the mix of investments. At the year-end 2019-20 equities were 60% of the portfolio and diversification objectives were met in the balance of Bonds (19%), Alternatives (14%) and Cash (7%).

The Trustees have considered and adopted an ethical investment position reflected by its decision to invest the entirety of the charity's Investment Portfolio in Charity Authorised Investment Funds (CAIF) which integrate environmental, social and governance considerations in both equities and engagement and impose strict restrictions on investments in products including alcohol, armaments, gambling, pornography and tobacco.

Reserves

Trustees regularly monitor the level of reserves via the monthly management accounts. When planning and budgeting, Trustees consider reserve levels to ensure an appropriate balance between the short and long term needs of the organisation. Once identified, projects are provided for in designated reserves, consistent with the 5 year strategic plan. This is combined with the need for prudent management of services and programme commitments, and for provision for the potential impact of contingent events.

The Trustees undertake an annual review of the designated reserves and the assumptions that underpin them. The emergence of the Covid19 pandemic added a new responsibility to consider

the charity's future plans in the light of the financial and operational challenges posed by both the pandemic itself and the measures introduced to tackle it. The review in 2019-20 was undertaken at a time when the prospects for the charity's retail operations suggested that they would be significantly affected adversely, in common with many other organisations. In 2018-19 the Designated Reserves included planned investment in services at various NHS Trusts and Health Boards which were no longer seen as a priority in the light of the Covid19 pandemic.

For the Trusts where there is no agreement (formal or inferred) the Trustees agreed to remove the designation for those Gifting Hospital Funds that were more than 3 years old where there was no existing commitment to use those funds. The value associated with these Funds was therefore transferred to the General Reserves (£2.9m).

It should be noted that this change would not prevent funds being used in future in the manner previously intended, i.e. to support the ongoing relationship with the trust. Rather it is a recognition that the charity has no plans and no firm obligation to do so

It is the policy of Royal Voluntary Service to maintain reserves at a minimum level that ensures the future sustainability of the organisation ensuring that the Charity is able to meet its obligations as they fall due. The following factors will be taken into account in arriving at the value of those minimum reserves:

- forecasts for levels of income for the current and future years, taking into account the reliability of each source of income and the prospects for developing new income sources
- forecasts for expenditure for the current and future years on the basis of planned activity
- analysis of any future needs, opportunities, commitments or risks where future income alone is likely to fall short of the amount of the anticipated costs
- assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for the charity of not being able to make up that shortfall

During the year the Trustees reviewed the level of future planned expenditure and have determined that it would not be appropriate to continue with all the plans in place at the beginning of the financial year. Therefore, the level of Minimum Reserves required as at the end of the financial year was £4.7m (2018-19 £6.3m). This compares with the value of General Reserves of £8.4m (2018-19 £7.5m).

Total fund balances decreased by £5.2m to £18.4m during the year. As at 29 March 2020 these comprise £1.8m of funds restricted for specific purposes (2018-19: £2.2m); £8.1m of funds designated for specific use (2018-19: £13.9m); and £8.4m of general funds (2018-19: £7.5m).

Designated funds include £1.4m for the hospital fund; £2.0m for fixed asset fund; £2.4m for the Players of People's Postcode lottery projects fund; £1.1m for the Technology Transformation Programme and others at £1.2m as detailed in note 14 of the financial statements. No new designation of funds were approved during the year.

Subsidiary undertakings

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

1. WRVS Services Welfare Limited provides emotional and practical support to service personnel within the army and some tri service locations in the UK, including Northern Ireland and overseas in Germany, Cyprus and Canada.

Paid trained staff work predominantly in the evening and at weekends to ensure welfare support is available to service personnel during their down-time and where no physical welfare support is available. WRVS Services Welfare Officers manage areas, allocated by the Chain of Command at the unit, including for example a games room, communal lounge, TV/film room and study/quiet space. During 2019-20 465,000 young soldiers visited Services Welfare centres and over 2,000 one to one meetings took place between Service Welfare Officers and service personnel at various locations.

For the financial year 2019-20 the reported income in the subsidiary was £2.5m (2018-19: £2.7m) and the expenditure £2.5m (2017-18: £2.7m). Royal Voluntary Service receives a management fee for delivering the service amounting to £0.2m (2018-19: £0.2m).

2. Royal Voluntary Service Meals on Wheels Limited delivers meals to those in need in their homes, via commercial contracts with local authorities. All contracts were closed by the end of 2018-19 and a handful of closure transactions occurred in 2019-20. All profits are gifted to the charity and in the year ended 29 March 2020 income was £nil (2018-19: £0.3m) with an operating profit of £6k (2018-19: operating profit £32k). The Directors intend to cease trading of the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The charity's subsidiary undertakings are set out in Note 11 of the financial statements. Income from trading subsidiaries has been included within income from charitable activities in the Statement of Financial Activities.

Principal risks and uncertainties

The charity records significant risks in its Risk Register. This is monitored by the Leadership Team under the oversight of the Risk Monitoring Group, the Audit and Risk Committee and the Trustees who consider that the principal risks arising from the Risk Register are as follows:

Principal risk	Management of risks
Insufficient unrestricted income generation from all or any of fundraising channels, hospital setting trading income, corporate donations and sponsorship, grant providers and commissioners - leading to inability to provide services	Income risk is mitigated by focusing on a range of income streams and generation is rigorously and proactively managed and monitored. Performance is measured against a suite of KPIs designed to identify areas of concern which are remedied swiftly and appropriately.
The charity is unable to adapt its services to align with the changing NHS and Social Care environments caused by COVID19 and is unable to provide them.	Trustees have considered and adopted an agreed operational response to COVID19 and are developing a strategic response building on key relationships with external stakeholders and health led charities.
Software applications used by the charity fail to adequately support its operational activities and/or cannot be invested in risking staff and volunteer morale and productivity and income generation	The Technology Transformation programme is ensuring that the IT infrastructure is both wide-ranging and robust. A comprehensive IT Software Application Strategy and supporting finance plan is to be developed as part of the strategic response to Covid19.
The Change and Transformation Programme is too ambitious and cannot be delivered in the intended time period with the necessary investment	The Change and Transformation Programme is informed by agreed strategic objectives and its delivery is included in the charity's annual plan of activity. Work is phased and overseen by Change and Transformation Programme Board.
Reputational damage arising from ongoing scrutiny of the sector and/or the charity's higher profile involvement in national programmes – e.g. NHS Volunteer Responder Scheme	Robust internal policies, procedures and training covering areas of highest risk (e.g. safeguarding, data, food safety etc). Regulatory environment kept under review and responded to appropriately. Leadership Team is well placed to appropriately address issues as they arise.

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

Our Structure, Governance and Management

Our people and advisors are set out on pages 29-30.

Structure and public benefit

Royal Voluntary Service is a charitable company limited by guarantee in England and Wales (number 2520413). It was 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 dated 25 September 2015. These set out the charity's legal objects and 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
- 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 that 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. 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. These are Royal Voluntary Service Meals on Wheels Limited (number 2778481) and WRVS Services Welfare Limited (number 2778476).

Governance and Management

The charity's Trustees are responsible for the overall governance of Royal Voluntary Service. 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 limited company. Trustees may be appointed for a maximum of 2 three-year terms of office. Trustees are generally recruited using a specialist recruitment consultancy and a process of interview and reference. Those who have served during the year are listed at page 29.

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 the charity is delegated to the Chief Executive Officer via the charity's Governance Framework, which is kept under regular review.

The Trustees also take into account the Charity Governance Code and during the year Trustees welcomed a review of Board effectiveness and the charity's relationship with its two wholly owned subsidiaries. Trustees agreed that continued focus should be placed on improvements to

the charity's Equalities, Diversity and Inclusion work and, with the intake of a new cohort of Trustees, the possible appointment of a Vice Chair.

Trustees agreed that the Code's recommendation regarding an external governance review was to be dis-applied and that a review was not needed at this point given the charity's internal Governance Team which sits independently of operational matters. During the year, a review of the charity's governance and assurance structures and the way in which Trustees understand the discharge of their and the charity's various obligations to a number of different regulators (e.g. Companies House, the Charity Commission, OSCR, the Fundraising Regulator, the Information Commissioners Office and the Health and Safety Executive) was undertaken. Trustees noted the comprehensive processes in place designed to protect those that the charity helps as well as its volunteers and staff and were assured that the charity is doing its best to "care and protect".

Trustees hold at least five face to face scheduled meetings a year with additional meetings as necessary. Between these meetings Trustees receive updates as necessary from the Chief Executive Officer who is supported by Leadership Team including the Director of Finance, Director of Services (who is also the charity's Deputy Chief Executive Officer), Director of Fundraising, Marketing & Communication, Director of Volunteering, Director of Change & Transformation and the Head of Governance.

The Trustees are supported by three Board committees which meet as required and in accordance with terms of reference. Each committee reports to the Board of Trustees, is chaired by a Trustee and supported by at least two other Trustees. Members of the Leadership Team and other senior managers join the committee meetings as appropriate and external professional advice is sought as necessary. The three committees are:

- 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. It also receives and considers the Health & Safety report, charity's risk register and any horizon risks before recommendation to Trustees
- The Investment and Finance 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 and to scrutinise the business cases for the charity's proposed project investments, the annual budget and it's financial performance
- The People and Remuneration Committee – this meets at least four times a year to consider volunteer and employee issues and to review the performance and remuneration of the Chief Executive Officer, the size, structure and composition required of the Trustee Board and succession planning for Trustees and senior management. It also considers the charity's Pay Policy and Remuneration Strategy and monitors the Safeguarding risks and activity

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), the (re)appointment of Trustees and the appointment of the Chief Executive Officer rests with the Board of Trustees.

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 where practicable. 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 financial statements.

Changes in Trustees and Executive Directors

During the year we said farewell to Richard Greenhalgh who came to the end of his term of Chair and also to Martin Smith who retired from his role as Trustee and Chair of the Audit and Risk Committee at the end of his two terms of office. Sophie Livingstone also retired at the end of her first term of office. Andrew Moys and Dr Alison Fielding resigned their offices due to personal commitments and for similar reasons, June Mulroy was unable to return in November 2019 to the charity at the end of her 12 month sabbatical from her Trustee role and so her resignation took effect from 31 October 2018. We thank them all for their valuable commitment and dedication to Royal Voluntary Service and their insight into the charity as it developed its Strategic Framework 2018 – 2023. We wish them all well for the future.

We were delighted to welcome Stephen Dunmore as our new Chair in September 2019. Stephen joined us with a strong volunteering background and a deep understanding of the charity sector. We also ran a very successful campaign to recruit new Trustees to support the delivery of our Strategic Framework. The process saw many and varied candidates show interest in the charity and its mission and we were able, after year end, on 1 May 2020 to appoint six new Trustees all of whom are very welcome and are already making a contribution to the charity. We thank Trustee Tracey McNeill who as chair of The People and Remuneration Committee led this recruitment campaign.

Risk management and internal controls

The Trustees, who are also the directors of the limited company for the purposes of company law, 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. Leadership Team keeps the risk register under regular review and reports quarterly to the Audit and Risk Committee and Trustees on changes to the risk register. During the year apart from regular updates to the risk register, the charity also undertook a review of the way in which its risk register is structured and made some substantive changes to help it better describe, assess and quantify risk. This greatly helped in the process of determining the risks associated with the Covid19 pandemic and the associated social distancing measures.

The charity produces an annual budget which is monitored regularly, at least monthly by the Leadership Team and reported to the Investment and Finance Committee and Trustees. Updated financial forecasting is generally undertaken at the half year stage to reflect changes to the original budget assumptions and the impact on the projected income and expenditure. When necessary more frequent forecasting, analysis and reporting is undertaken.

The charity's Internal Audit Team 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 offer necessary assurance.

Remuneration and pensions

The People and Remuneration Committee reviews employee reward and recognition, including salaries and pension provision for all employees. During the year the Committee oversaw the implementation of the new Pay Policy and Remuneration Strategy and the move from three pension providers to two. The Committee also undertook and published the charity's third gender pay review which showed a decrease in the charity's median pay gap from 1% to 0% and a slight 1.8% increase in the mean pay gap to 14.3%.

Volunteers and employees

Our Strategic Framework 2018-23 specifically and deliberately puts the inspiration and enablement of voluntary service at the heart of everything we do. This has been exemplified as we planned to support the NHS and those vulnerable to Covid-19 throughout the pandemic with the mobilisations of thousands of volunteers through the dedicated NHSVR programme. Our existing and new volunteers continue to make a massive difference in their communities, to those who are vulnerable and in the NHS. Their commitment and impact are of immeasurable benefit and during the year they provided the equivalent of over £35.5m of volunteering contribution (applying Kings Fund research to our data) of which we are enormously proud.

The charity has agreed a new People plan to underpin the Strategic Framework and work has already started on the first elements of it including developing an 'Employee Value Proposition', further embedding our Stella values and ensuring that equality, diversity and inclusion increasingly sits at the heart of all relevant people initiatives. We have also successfully rolled out the core of a new integrated HR/Payroll system, and are now adding additional modules to increase functionality in reporting, recruitment, performance management and learning and development.

During the pandemic a significant number of our colleagues, mainly in Retail have agreed to take furlough leave. Our colleagues still working have reported being busier than ever. Consequently a significant emphasis has been placed on the health and wellbeing of all of our staff and a 'Wellbeing Hub' created with resources to support working and furloughed colleagues. Led by our CEO, we also invited all staff to attend one of a series of virtual 'Town Hall' events, taking the opportunity not only to update but also to directly address questions and concerns that staff had raised with us.

The Employee Forum, providing a direct communication channel between the charity's staff and the CEO remains in place and meets quarterly to discuss key topics and developments and to support the roll out of the People Plan.

Trustees' responsibilities

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term: Our Board of Trustees sets the strategy for our charity (page 5) which aims to inspire and enable the gift of voluntary service to meet the needs of the day in our communities. This strategy is the reference point for decision making ensuring the charity stays on its agreed course. We regularly review the external environment and will ensure that our plans are updated to accommodate changes to circumstances in order to protect the charity and the delivery of its objectives.

The interests of the company's employees: Our employees support and work alongside our volunteers to deliver vital services in communities. In a geographically dispersed organisation it is vital that we take particular care to support and engage our employees and ensure we have two-way open channels for feedback and ideas sharing. To this end we have established an Employee Forum with staff representatives across the charity to meet directly with the Chief Executive. This investment is highly valued by both staff and leadership. This direct channel is complemented by face to face 'Town Hall' events which allow wider access to the leadership team with Q&A opportunities and strategy updates. Staff experiences are also shared between colleagues through our magazine, 'The Volunteer' and through e-communications. We are also investing in a new Employee Portal, an easy-to-access hub where staff can find resources to help them in their roles and support their well-being at work.

The need to foster the company's business relationships with suppliers, customers and others: Positive relationships with our partners, both our commissioners and our suppliers, is key to our success. We support our relationships with suppliers through our procurement team and by policy frameworks and departmental staff responsible for delivery. Larger supplier relationships will have a named individual responsible for managing the relationship. Our commissioners, will be supported by specific project managers who will be responsible for programme delivery, proactive problem solving and regular reporting of outcomes. Regular two-way communication is embedded to maintain positive working relationships throughout the life-cycle of programmes. Our service beneficiaries (clients and participants) and our volunteers are surveyed annually to track our impact and canvass valuable feedback. Volunteer engagement is a key priority for our organisation.

The impact of the company's operations on the community and the environment: The impact of the charity on the community is central to our mission and delivery. Our volunteers and staff devote their time to improving lives of older and vulnerable people in communities and hospitals by supporting their health, well-being and their social connections. Further information on how this is delivered can be found throughout this report.

We recognise our responsibility to care for the environment and our aim is to minimise our environmental impact. As a geographically dispersed organisation we are increasingly adopting technology to connect to one another, reducing our car fleet and discouraging unnecessary travel between sites. We use video-conferencing tools to meet and provide online training and education resources for our teams. We enable and encourage home-working where practical and have many roles purely based from home, reducing travel to and from office locations and the associated CO2 emissions. Our administrative office is in Cardiff and we have installed green energy panels to reduce its environmental impact. Paper-based communications are reducing as we move increasingly to online channels for volunteer, staff and supporter engagement. Where paper is used, we aim to minimise environmental impact, where possible, through use of recyclable material. Our staff and volunteer magazine is now recyclable and the cover is fully compostable.

The desirability of the company maintaining a reputation for high standards of business conduct: Public trust in Royal Voluntary Service is key to our reputation and continued success. Our 'Stella Values' provide a foundation for the behaviours and standards we expect (see page 5). These are used throughout the organisation and support our recruitment processes as well as our employee appraisals. These values are underpinned by a full set of policies, procedures and contracts which govern the conduct of our charity and our teams from our fundraising policy to our procurement policy to our employee contract. Our whistleblowing procedures are clear and accessible ensuring that there is a ready route for staff, volunteers and partners to anonymously raise important concerns. We also have a clear complaints process for our supporters managed by our supporter care team.

The need to act fairly as between members of the company: Royal Voluntary Service operates in communities across Great Britain and we aim to be fully inclusive, and easy to access for everyone. Royal Voluntary Service is naturally a diverse organisation and draws its teams from the local communities it serves. We value all forms of difference in employees, volunteers, our clients, participants and our supporters.

To foster positive engagement across communities we make information available in different languages relating to the communities we operate within and ensure we have representative imagery on our promotional materials, this programme is continuing to build into 2020. This approach signals that Royal Voluntary Service is a welcome environment for all. Our fundraising work is carefully designed to avoid harm, recognising vulnerabilities of some of our supporters.

We publish our Gender Pay Gap information clearly on our website and are working to close the gap further.

Any form of discrimination, bullying or harassment is not tolerated at Royal Voluntary Service and we have procedures in place including clear policies setting out our expectations, complaints processes, whistleblowing channels, and disciplinary procedures.

Our Chief Executive is leading our work on the charity's Equality, Diversity and Inclusivity programme which will be a priority for 2020 with Trustee and partnership involvement. This programme will seek to embed EDI principles consciously throughout Royal Voluntary Service, threading EDI into each of the charities key strategic work-streams.

Accounting and Reporting

The Trustees 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The Trustees have considered the latter point in the context of the uncertainties over the Covid19 pandemic. The pandemic, and the social distancing measures adopted to reduce its impact, has provided both significant challenges, for example the temporary closure, in the first four months of the financial year 2020-21, of most of the retail estate as well as opportunities to support the nation and the NHS through the development and delivery of the NHS Volunteer Responders programme. This has enabled key elements of the charity's strategy to be advanced faster than originally anticipated. Fundraising income also saw a benefit as many people and organisations recognised the value of this work and donated monies to help.

While the vaccination programme has begun, it is not yet clear how quickly it can be rolled out and what will be the effect on the charity's future income from retail activities. As well as the risk mitigation activities set on pages 19-20 of this report, the Trustees have considered and approved plans to make sure that the expenditure in the foreseeable future will properly reflect the likely level of income expected, while still delivering the charity's objectives as set out on pages 7-12 of this report. This has included the review of the charity's Designated Reserves and their underlying plans set out on page 18 of this report. Importantly the plans also allow for flexibility should the demand for retail and other services grow more quickly than expected.

Progress against those plans, as well as the development of the environment in which the charity operates, is monitored on a frequent and detailed basis and reported to the Trustees when they meet. This will enable new trends to be identified quickly and appropriate action to be taken.

The Trustees have reviewed detailed financial and cash projections for the charity under a number of different scenarios and therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group to 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 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.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This Report of the Trustees (including the Strategic Report) was approved by the Board of Trustees on 21 December 2020.

A handwritten signature in black ink, appearing to read 'Stephen Dunmore', followed by a long horizontal line extending to the right.

Stephen Dunmore OBE
Chair of the Board of Trustees

Appendix - Our People and Advisers

Patron

HM, The Queen

President

HRH, The Duchess of Cornwall

Ambassadors

Felicity Kendal

Roy Noble OBE

Elaine Paige OBE

Dame Patricia Routledge

Phillip Schofield

Wayne Sleep OBE

Trustees

Unless otherwise indicated, the Trustees listed below were in office from 1 April 2019. Committee membership is also noted:

Stephen Dunmore (Chair)	Appointed 19 September 2019
Richard Greenhalgh (Chair) PR	Retired 18 September 2019
Mike Bury AR	
Ian Cranna IF	Resigned 25 August 2020
Dr Alison Fielding IF	Resigned 18 September 2019
Charlotte Lambkin PR	
Sophie Livingstone PR	Retired 1 January 2020
Tracey McNeill PR	
Andrew Moys AR	Resigned 7 November 2019
June Mulroy MBE AR	Resigned 31 October 2018
David Rose AR	
Martin Smith AR	Retired 31 March 2020
Josephine Swinhoe IF	

Since the end of the year the following Trustees have been appointed to or retired from office:

Tracey McNeill	Resigned 19 May 2020
Bayo Adelaja	Appointed 1 May 2020
Justin Davis-Smith	Appointed 1 May 2020
Frankie Herbert	Appointed 1 May 2020
Margaret Moore	Appointed 1 May 2020
Matthew Moorut	Appointed 1 May 2020
Richard Williams	Appointed 20 May 2020

Committee chairs

AR: Audit and Risk Committee

Martin Smith (now Margaret Moore)

IF: Investment and Finance Committee

Dr Alison Fielding (now Mike Bury)

PR: People and Remuneration Committee

Tracey McNeill (now Charlotte Lambkin)

Chief Executive and Company Secretary

Unless otherwise indicated, the employees listed below were in office from 1 April 2019:

Catherine Johnstone CBE, Chief Executive

Karyn Maria Shepperd, Company Secretary – appointed 9th July 2019

Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Banker

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

Investment Managers

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

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

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

Solicitors

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

Royal Voluntary Service would like to thank all the individuals, community groups, organisations, companies and grant makers who have supported our work during the year, including:

Asda Foundation

Jo Cox Foundation

Lady Margaret Skiffington Trust

Masonic Charitable Foundation

National Lottery Community Fund

People's Health Trust

Players of People's Postcode Lottery

Shetland Charitable Trust

Welsh Government

Legal & General

Admiral

Specsavers

Care Sourcer

Yakult

Prudential UK

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

Opinion

We have audited the financial statements of Royal Voluntary Service for the year ended 29 March 2020 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 29 March 2020 and of the group's outgoing resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24-28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

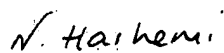
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

55, Ludgate Hill

London

EC4M 7JW

22nd December 2020

Royal Voluntary Service

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 29 March 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Income							
Income from donations and legacies							
Voluntary Income	2	5,516	2,089	7,605	1,289	1,650	2,939
Income from charitable activities							
- Hospital services		37,908	-	37,908	40,800	-	40,800
- Community services		4,380	-	4,380	4,873	-	4,873
- Services welfare		2,473	-	2,473	2,699	-	2,699
Other trading activities							
- Activities for generating funds	2	865	215	1,080	733	506	1,239
Investments	5	105	-	105	339	-	339
Other							
- Net gain on the disposal of tangible fixed assets		200	-	200	154	-	154
Total income		51,447	2,304	53,751	50,887	2,156	53,043
Expenditure							
Expenditure on raising funds							
- Expenditure on raising voluntary income		422	-	422	282	-	282
- Expenditure on activities for raising funds		1,538	-	1,538	1,283	-	1,283
- Investment management costs		110	-	110	105	-	105
Expenditure on charitable activities							
- Hospital services		39,721	-	39,721	40,042	-	40,042
- Community services		12,152	2,684	14,836	11,596	2,908	14,504
- Services welfare		2,287	-	2,287	2,547	-	2,547
- Transition costs		-	-	-	-	-	-
Other							
- Net loss on the disposal of tangible fixed assets		-	-	-	-	-	-
Total expenditure	6	56,230	2,684	58,914	55,855	2,908	58,763
Net gains on investments	11a	14	-	14	231	-	231
Net (expenditure)/income		(4,769)	(380)	(5,149)	(4,737)	(752)	(5,489)
Transfers	14	-	-	-	5	(5)	-
Net movement in funds		(4,769)	(380)	(5,149)	(4,732)	(757)	(5,489)
Total fund balances brought forward at 1 April	14	21,357	2,236	23,593	26,089	2,993	29,082
Total fund balances carried forward at 29 March	14	16,588	1,856	18,444	21,357	2,236	23,593

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 39 - 53 are an integral part of these financial statements.

Royal Voluntary Service

Balance sheets

	Notes	29-Mar-20		31-Mar-19	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible fixed assets	10a	2,716	2,716	2,900	2,900
Intangible assets	10b	40	40	48	48
Investments	11a	10,800	10,800	17,447	17,447
		13,556	13,556	20,395	20,395
Current assets					
Stocks		727	727	739	739
Debtors	12	2,386	2,273	2,473	2,184
Investments	11b	4,003	4,003		
Cash at bank and in hand		4,736	3,439	7,442	6,114
		11,852	10,442	10,654	9,037
Creditors: Amounts falling due within one year	13	(6,964)	(6,865)	(7,456)	(7,178)
Net current assets		4,888	3,577	3,198	1,859
Total assets less current liabilities		18,444	17,133	23,593	22,254
Funds:					
Restricted funds	14	1,856	1,856	2,236	2,236
Unrestricted funds					
- designated funds	14	8,198	8,198	13,882	13,882
- general funds	14	8,390	7,079	7,475	6,136
Total funds		18,444	17,133	23,593	22,254

The parent company's net (resources expended)/incoming resources for the year ended 29 March 2020 totalled £(5,171,000) (2019: £(5,483,000)).

The accompanying notes on pages 39 - 53 are an integral part of these financial statements.

The financial statements on pages 36 - 38 were approved and authorised for issue by the Board of Trustees on 21 December 2020 and were signed on its behalf by:

Stephen Dunmore OBE
Chairman

Margaret Moore
Trustee

Royal Voluntary Service
Consolidated cash flow statement
for the year ended 29 March 2020

	Notes	2020 £'000	2019 £'000
Net cash used in operating activities	a	(5,714)	(5,745)
Cash flows from investing activities:			
Dividends and interest from investments		105	339
Purchases of property, plant and equipment		(18)	(183)
Purchase of Intangible fixed assets		-	(39)
Proceeds from sale of fixed assets		263	401
Investment released to cash		6,637	5,029
Reinvested income into Fixed Asset Investments		(86)	(306)
Investment Management Fees		110	105
Net cash provided by investing activities		7,011	5,346
Cash flows from financing activities			
Change in cash and cash equivalents in reporting period		1,297	(399)
Cash and cash equivalents at beginning of reporting period		7,442	7,841
Cash and cash equivalents at the end of the reporting period	b	8,739	7,442

Notes to the cash flow statement

a) Reconciliation of cash flows from operating activities	2020	2019
operating activities	£'000	£'000
Net (expenditure)/income	(5,149)	(5,489)
Adjustments for:		
Depreciation charges	147	190
Amortisation on intangibles	8	18
Fixed asset adjustment	(8)	(25)
Unrealised loss on investments	843	1,048
Realised gain on investments	(857)	(1,279)
Profit on disposal of assets	(200)	(154)
Interest from investments	(105)	(339)
Decrease in stocks	12	47
Decrease in debtors	87	725
Decrease in creditors	(492)	(487)
Net cash used in operating activities	(5,714)	(5,745)
b) Analysis of cash and cash equivalents	At 29 March	At 31 March
	£'000	£'000
Cash at bank and in hand	4,736	7,442
Notice deposits (less than 3 months)	4,003	-
Total cash and cash equivalents	8,739	7,442

Notes to Financial Statements for the year ended 29 March 2020

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 in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011, the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity has taken the exemption from presenting its unconsolidated SOFA under section 408 of Companies Act 2006. All income is accounted for on an accruals basis unless otherwise stated. The financial statements have been prepared to Sunday 29 March 2019 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.

After making enquires, the trustees are not aware of material uncertainties that cast doubt on going concern and have a reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future as reflected in the Trustees' Report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 apart from agreed disallowable expenses.

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) Trusts & lotteries

RVS received proceeds of lotteries held by Peoples Postcode Lottery (PPL). RVS has not ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal. Net proceeds due to RVS are recognised under lottery income in the statement of financial activities.

h) Legacies receivable

Legacies are credited to the statement of financial activities when either the estate accounts or monies have been received. This uses the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement in accordance with the charities SORP FRS102.

i) Other charitable and trading income

Income is recognised in the statement of financial activities when there is evidence to entitlement to the gift or trading activity, receipt is probable and the amount can be measured reliably.

Notes to Financial Statements for the year ended 29 March 2020

1 Principal accounting policies (continued)

j) 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.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, budgeting and accounting, quality assurance, human resources and information technology. Governance costs other than those disclosed specifically in the notes to these accounts are included within support costs and allocated on the same basis.

k) Governance

Governance costs are those associated with constitutional and statutory requirements, external audit, legal advice and insurance.

l) 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.

m) 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 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
Vehicles, IT, equipment and furniture	3-5 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.

n) 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.

o) Investments

Stock exchange listed investments are stated at market value. Net realised and unrealised gains and losses in the year are included in the statement of financial activities. Cash deposits not expected to be utilised within 12 months are included in fixed asset investments and are stated at cost. The investment in the trading subsidiaries is also stated at cost.

Notes to Financial Statements for the year ended 29 March 2020

1 Principal accounting policies (continued)

p) 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.

q) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value.

r) Retirement benefits - defined contribution

For defined contribution schemes contributions are charged to the statement of financial activities as incurred.

s) 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 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.

t) 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

Financial assets include cash, trade debtors, intercompany debtors, other debtors and accrued income.

Financial assets held at fair value include investments.

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.

Notes to Financial Statements for the year ended 29 March 2020

1 Principal accounting policies (continued)

t) Financial instruments (continued)

ii) Financial liabilities and equity

Financial liabilities include trade creditors, other creditors, finance leases, loans and accruals.

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.

u) Redundancy and termination costs

Employee benefits paid on redundancy or termination include accrued amounts where RVS is demonstrably committed to make these payments but they had not yet been made at 29 March 2019.

All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

v) Deferred income

Grants that have been received will be treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

w) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Significant areas of estimate and judgement include provisions and the remaining useful life of assets. Related accounting policies for these items are noted within these accounting policies.

x) Cash and cash equivalents

Cash and cash equivalents include deposits repayable on demand without penalty. Short term money market deposits, and fixed term cash deposits which do not meet this criterion are held under current assets as short term investments.

Notes to Financial Statements for the year ended 29 March 2020

2 Voluntary income & Activities for generating funds

Group			2020			2019
	Unrestricted	Restricted		Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Voluntary income:						
Donations	896	23	919	990	5	995
Trusts & lotteries	4,484	1,986	6,470	7	1,639	1,646
Legacies	136	10	146	179	6	185
Other	-	70	70	113	-	113
Total voluntary income	5,516	2,089	7,605	1,289	1,650	2,939
Group			2020			2019
	Unrestricted	Restricted		Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities for generating funds:						
Property rental	106	-	106	93	-	93
Prize draws, raffles and corporate income	640	209	849	603	506	1,109
Fundraising & events	119	6	125	37	-	37
Total activities for generating funds	865	215	1,080	733	506	1,239

45% (2018-19: 48%) of the proceeds of the raffle were applied to good causes during the year.

3 Grants receivable

Group and Charity	2020	2019
	£'000	£'000
People's Health Trust	361	230
Asda Foundation	168	152
National Lottery Community Fund (Reaching Communities)*	-	(10)
National Lottery Community Fund (Rethink Good Health programme)	931	914
National Lottery Community Fund (People & Places)	134	116
National Lottery Community Fund (Awards for All)	-	3
Jessie Spencer Trust	1	1
Garfield Weston Foundation*	-	(25)
Welsh Government (Sustainable Social Services Wales grant fund)	168	83
Shetland Charitable Trust	47	47
The Royal British Legion*	-	(9)
Players of People's Postcode Lottery (net income) (see note 4)	4,596	-
Leeds Social Service	204	-
Voluntary Action Rotherham	30	-
Other grants	64	144
Total grants receivable (Included within voluntary income and where the funder requires disclosure in the statutory accounts)	6,704	1,646

* During the previous year unspent grant was returned to Big Lottery Fund, Garfield Western Foundation and The Royal British Legion.

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. 32% of the proceeds from the lottery were applied to good causes during the year. PPL is the action principal for these draws.

	2020	2019
	£'000	£'000
People's Postcode Lottery ticket value	12,981	-
People's Postcode Lottery prize fund	(5,187)	-
People's Postcode Lottery management fee	(3,193)	-
Prize indemnity insurance	(5)	-
Total net lottery income	4,596	-

5

Royal Voluntary Service also run raffles during the year the income and expenditure relating to these draws are reported within Activities for generating funds on the Statement of Financial Activities.

Investment income

Group	2020	2019
	£'000	£'000
Income from fixed asset investments	86	306
Bank interest	19	33
Total investment income	105	339

Notes to Financial Statements for the year ended 29 March 2020

6 Total Expenditure - Group					Support costs			
	Other	Direct costs	Support costs	2020	Other	Direct costs	Support costs	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital services	2,472	32,841	4,408	39,721	2,398	33,536	4,108	40,042
Community services	-	7,468	7,368	14,836	-	7,839	6,665	14,504
Services welfare	-	2,287	-	2,287	-	2,547	-	2,547
Fundraising*	-	908	1,052	1,960	-	735	830	1,565
Investment management costs	-	110	-	110	-	105	-	105
Total expenditure	2,472	43,614	12,828	58,914	2,398	44,762	11,603	58,763

Included within 'Hospital services' expenditure above are costs of inventories expensed of £21.5m (2018-19: £22.7m). Included in Other is £2,472k (2018-19: £2,398k) 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.

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	Community services	Fundraising*	2019	Basis
Support costs comprise:	£'000	£'000	£'000	£'000	
Governance	410	460	-	870	No. people
Operations	1,988	2,600	-	4,588	Direct allocation
Marketing	305	1,068	-	1,373	No. services
IT	500	998	-	1,498	Direct and time allocated
Fundraising*	-	-	830	830	Direct allocation
Human Resources & Training	352	353	-	705	No. operational people
Central services	490	966	-	1,456	Allocation of duties
Properties	63	220	-	283	Number of services
Total Support	4,108	6,665	830	11,603	

	Hospital services	Community services	Fundraising*	2020	Basis
Support costs comprise:	£'000	£'000	£'000	£'000	
Governance	468	518	-	986	No. people
Operations	1,980	2,722	-	4,702	Direct allocation
Marketing	366	1,279	-	1,645	No. services
IT	589	1,175	-	1,764	Direct and time allocated
Fundraising*	-	-	1,052	1,052	Direct allocation
Human Resources & Training	380	380	-	760	No. operational people
Central services	557	1,057	-	1,614	Allocation of duties
Properties	68	237	-	305	Number of services
Total Support	4,408	7,368	1,052	12,828	

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

Support costs have increased over the year as departments have grown to create capability; reviewed & improved our IT systems; campaign to attract volunteer via marketing; and implemented changes required in our Corporate Plan.

	2020	2019
	£'000	£'000
This expenditure is stated after charging:		
Auditor's remuneration in the year:		
Fees payable to the charity auditor for the audit of the parent charity and the consolidation	49	47
Fees payable to the charity auditor and its associates for other services:	1	2
Depreciation - tangible fixed assets	147	190
Amortisation - intangible fixed assets	8	18
Operating lease rentals		
- land and buildings	2,074	2,099
- other	208	225

Notes to Financial Statements for the year ended 29 March 2020

7 Staff costs and Trustees' remuneration

Group

Staff costs during the year were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	17,357	17,197
Social security costs	1,380	1,330
Other pension costs	713	589
Subtotal staff costs	19,450	19,116
Redundancy	711	136
Other staff costs	957	798
Total staff costs	21,118	20,050

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

	Including Severance	
	2020	2019
	No.	No.
£60,001 - £70,000	2	2
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£90,001 - £100,000	2	3
£100,001-£110,000	1	-
£110,001-£120,000	2	1
£120,001-£130,000	1	-
£130,001-£140,000	-	1
£140,001-£150,000	-	-
£150,001-£160,000	-	1
£160,001-£170,000	1	-

The total contribution in the year for the provision of money purchase pension benefits was £103,844 (2018-19: £103,369) in respect of higher paid employees. At the year-end there were 10 (2018-19: 10) 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 29 March 2020. The total salary including benefits of the key management personnel was £554k (2018-19: £317k).

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

	2020	2019
	No.	No.
Operations	858	848
Support	197	264
	1,055	1,112
Full time	436	463
Part time	619	649
	1,055	1,112
FTE Equivalent	768	811

No Trustees received remuneration for any services as Trustees during the year to 29 March 2020 (2018-19: Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2020	2019
	£'000	£'000
Trustee travel expenses	1	1

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 (2018-19: £5.0m) and Professional Indemnity is £5.0m (2018-19: £5.0m) and the total premium paid in respect of such insurance was £18,325 (2018-19: £18,325).

9 Taxation

Royal Voluntary Service is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiary, Royal Voluntary Service Meals on Wheels Limited, has not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Both subsidiaries are registered for VAT as part of the group.

Notes to Financial Statements for the year ended 29 March 2020

10 Fixed assets

(a) Tangible fixed assets

Group (including Charity)	Freehold land and buildings £'000	Leasehold buildings long £'000	Vehicles, IT, equipment and furniture £'000	Total Tangible Assets £'000
Cost				
At 2 April 2018	2,728	655	6,668	10,051
Additions	-	-	183	183
Disposals	-	-	(998)	(998)
At 31 March 2019	2,728	655	5,853	9,236
Depreciation & impairment				
At 2 April 2018	353	307	6,501	7,161
Charge for year	70	4	116	190
Disposals	(3)	(2)	(1,010)	(1,015)
At 31 March 2019	420	309	5,607	6,336
Net book values				
At 31 March 2019	2,308	346	246	2,900
Cost				
At 1 April 2019	2,728	655	5,853	9,236
Additions	-	-	18	18
Disposals	(105)	-	(9)	(114)
At 29 March 2020	2,623	655	5,862	9,140
Depreciation & impairment				
At 1 April 2019	420	309	5,607	6,336
Charge for year	67	6	74	147
Disposals	(50)	-	(9)	(59)
At 29 March 2020	437	315	5,672	6,424
Net book values				
At 29 March 2020	2,186	340	190	2,716

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) at 27 March 2016. If office properties were held on an historic cost basis, the amounts included after depreciation would be £1.2m (2018-19: £1.2m).

Notes to Financial Statements for the year ended 29 March 2020

(b) Intangible fixed assets

Group (including Charity)	Intangible Assets Under Construction £'000	Intangible Assets £'000	Total Intangible Assets £'000
Cost			
At 2 April 2018		1,674	1,674
Additions	39		39
At 31 March 2019	39	1,674	1,713
Amortisation & impairment			
At 2 April 2018		1,647	1,647
Charge for year		18	18
At 31 March 2019		1,665	1,665
Net book values			
At 31 March 2019	39	9	48
Cost			
At 1 April 2019	39	1,674	1,713
Transfer	(39)	39	-
At 29 March 2020	-	1,713	1,713
Amortisation & impairment			
At 1 April 2019	-	1,665	1,665
Charge for year	-	8	8
At 29 March 2020	-	1,673	1,673
Net book values			
At 29 March 2020	-	40	40

Notes to Financial Statements for the year ended 29 March 2020

11 a) Fixed asset investments	Cash & Securities	Cash & Securities
Group and Charity	2020	2019
	£'000	£'000
Market value at 1 April 2019	17,447	22,044
Reinvested Income	86	306
Investment Management Fees	(110)	(105)
Investment released to cash	(6,637)	(5,029)
Increase in value of investment	14	231
Market value at 29 March 2020	10,800	17,447
Historic cost	11,350	16,628
Unrealised (Loss)/gain	(550)	819
Market value at 29 March 2020	10,800	17,447

Securities held at 29 March 2020 comprised the following:

	2020	2019
	£'000	£'000
Equity	6,483	9,041
Bonds	2,086	4,551
Cash & other	2,231	3,855
Fair value	10,800	17,447

Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2018-19 :£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:

	Net surplus/(deficit) before distribution			Net Assets
	Income £'000	Expenditure £'000	under gift aid £'000	£'000
2020				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	-	(6)	6	997
The provision and delivery of meals to those in need in their home*				
WRVS Services Welfare Limited (company number 2778476)	2,472	2,474	(2)	318
The provision of welfare and support to army service men and women serving on military bases throughout the world				
2019				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	343	311	32	1,023
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited (company number 2778476)	2,698	2,718	(20)	320
The provision of welfare and support to army service men and women serving on military bases throughout the world				

*The Directors of Royal Voluntary Services Meals on Wheels Limited intend to cease trading of the company.

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 29 March 2020

12 Debtors

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Trade debtors	1,344	1,099	1,639	1,373
Other debtors	19	19	15	15
Amounts due from group undertakings*	-	155	-	-
Prepayments and accrued income	1,023	1,000	819	796
	2,386	2,273	2,473	2,184

*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 £1,913k of assets at amortised cost (2018-19: £1,926k). Included in the charity figures above are £1,807k of assets at amortised cost (2018-19: £1,639k). 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

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Trade creditors	1,888	1,884	3,015	2,996
Amounts due to group undertakings*	-	-	-	15
Social security and other taxes	885	845	697	517
Other creditors	452	428	357	332
Accruals and deferred income	2,311	2,280	2,101	2,032
Amounts due to hospitals	1,428	1,428	1,286	1,286
	6,964	6,865	7,456	7,178

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

Included in the group figures above are £5,791k of liabilities at amortised cost (2018-19: £6,386k). Included in the charity figures above are £5,732k of liabilities at amortised cost (2018-19: £6,288k). There are no liabilities measured at fair value through profit or loss.

Pension commitments are detailed in Note 18.

Deferred income movement

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Balance at 1 April 2019	227	227	340	309
Amount released in the year	(116)	(116)	(251)	(220)
Amount deferred in the year	177	177	138	138
Balance at 29 March 2019	288	288	227	227

Deferred income relates to local authority grants which have been received to carry out community services and where the terms and conditions state that any underspend is repayable.

Notes to Financial Statements for the year ended 29 March 2020

14 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
- a transfer of funds from general reserves to hospital funds for sites that are underperforming and require central funds and release of closed funds.

		Movement in funds				
Group	Note	At 2 April 2018	Income & gains	Expenditure & losses	Transfers	At 31 March 2019
		£'000	£'000	£'000	£'000	£'000
Restricted funds						
Legacy fund	(a)	666	6	(38)	(5)	629
Fixed asset fund	(b)	96	-	(2)	-	94
Community centres fund	(c)	573	-	(16)	-	557
Other funds	(d)	1,658	2,150	(2,852)	-	956
Total restricted funds		2,993	2,156	(2,908)	(5)	2,236
Designated funds						
Hospital fund	(e)	5,434	28,600	(29,216)	981	5,799
Community services commitments	(e)	807	-	(362)	30	475
Closed hospital reserves	(e)	1,084	-	(324)	(105)	655
Fixed asset fund	(f)	2,364	-	(186)	(38)	2,140
Community centres fund	(c)	122	-	(4)	-	118
Community bank accounts	(g)	896	808	(773)	-	931
Fit for Future	(h)	32	-	(32)	-	-
Strategic Fund - Investment	(i)	629	-	(298)	(151)	180
Infrastructure Investment	(j)	685	-	(448)	(237)	-
Players of People's Postcode Lottery projects	(k)	3,093	-	(1,213)	-	1,880
Investment in Fundraising	(l)	1,174	-	(424)	(750)	-
Technology Transformation Programme	(m)	-	-	(49)	1,753	1,704
Total designated funds		16,320	29,408	(33,329)	1,483	13,882
General funds		9,769	21,710	(22,526)	(1,478)	7,475
Total unrestricted funds		26,089	51,118	(55,855)	5	21,357
Total funds		29,082	53,274	(58,763)	-	23,593

		At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 29 March 2020
		£'000	£'000	£'000	£'000	£'000
Restricted funds						
Legacy fund	(a)	629	10	(142)	-	497
Fixed asset fund	(b)	94	-	(2)	-	92
Community centres fund	(c)	557	-	(16)	-	541
Other funds	(d)	956	2,294	(2,524)	-	726
Total restricted funds		2,236	2,304	(2,684)	-	1,856
Designated funds						
Hospital fund	(e)	5,799	23,027	(24,700)	(2,703)	1,423
Community services commitments	(e)	475	-	(475)	-	-
Closed hospital reserves	(e)	655	-	(200)	(455)	-
Fixed asset fund	(f)	2,140	-	(132)	-	2,008
Community centres fund	(c)	118	-	(3)	-	115
Community bank accounts	(g)	931	785	(766)	30	980
Strategic Fund - Investment	(i)	180	-	(58)	-	122
Players of People's Postcode Lottery projects	(k)	1,880	3,104	(2,571)	-	2,413
Technology Transformation Programme	(m)	1,704	-	(567)	-	1,137
Total designated funds		13,882	26,916	(29,472)	(3,128)	8,198
General funds		7,475	24,545	(26,758)	3,128	8,390
Total unrestricted funds		21,357	51,461	(56,230)	-	16,588
Total funds		23,593	53,765	(58,914)	-	18,444

Notes to Financial Statements for the year ended 29 March 2020

14 Funds (continued)

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

- a) 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.
- b) This represents the net book value of properties purchased with restricted funds and the balance reduces each year with the relevant depreciation charge.
- c) 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.
- d) 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.
- e) Hospital fund. Royal Voluntary Service has a commitment over a period to direct the 'surplus' earned in certain hospital services either to that hospital or for refurbishment of that service. This fund represents those commitments that have been communicated to the hospital trusts via a grant offer or a proposal to refurbish the service. The Trustees believe that these general commitments should be treated as unrestricted designated funds. Royal Voluntary Service is working with the trusts to expend these reserves in line with lease expectations and agreed timeframes. In 2019-20, the transfer of funds of £2,703k includes: £209k to general reserves whereby hospital sites performance improved and £2,494k of funds not required. In addition, £455k was released to general reserves where the service has been closed for over three years.

Community services commitments - all funds have been expended in the year.

Closed hospital services represents surplus funds which will be utilised to develop retail strategy in line with the NHS Offer. £455k of designation has been lifted and transferred to general funds.

- f) 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.
- g) 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.
- h) Fit for the Future programme represents the balance on the restructuring project and the remaining IT expenditure for server replacement was concluded in 2018-19.
- i) The Strategic Fund Investment has been set up in line with our strategic objective to Grow Retail including refurbishment of 17 key hospital shops and cafes, finalising the rebranding roll out and securing leases for future income generation. All funds to be expended by March 2021 (following slight delay in March 2020).
- j) The infrastructure investment includes planned improvements to our archive facility and investing in volunteers. All funds have been expended and the remainder of the designation has been lifted and transferred back to general funds.
- k) Players of People's Postcode Lottery projects include supporting volunteer led activities, funding community engagement workers, developing a dementia friendly Royal Voluntary Service, working with carers and frailer older people and investing in our hospital trolleys. These projects will be delivered before the end of March 2021.
- l) Investment in line with the strategic plan to increase the fundraising team, recruit new donors and increase campaigns to attract volunteers. Funds have been expended and the remaining designation has been lifted and transferred to general funds.
- m) Technology Transformation Programme - following a thorough review of our IT systems and processes, investment over 2 years was approved by the Trustees. This will transform our technology and data environment into a platform that supports the Strategic plan. Funds are being expended as per the Corporate Plan.

Notes to Financial Statements for the year ended 29 March 2020

15 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
2019				
Fund balances at 1 April 2019 are represented by:				
Fixed assets		2,298	650	2,948
Fixed asset investments	10,518	6,929	-	17,447
Net current assets	(3,043)	4,655	1,586	3,198
Net assets	7,475	13,882	2,236	23,593
2020				
Fund balances at 29 March 2020 are represented by:				
Fixed assets	-	2,123	633	2,756
Fixed asset investments	9,377	1,423	-	10,800
Net current assets	(987)	4,652	1,223	4,888
Net assets	8,390	8,198	1,856	18,444

16 Financial and capital commitments

Operating leases

At 29 March 2020 the commitments under non-cancellable operating leases were as follows:

Group	Land and buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Expiring:				
- within one year	369	627	5	5
- within two to five years	1,091	1,484	-	-
- thereafter	1,381	1,560	-	-
Total	2,841	3,671	5	5

Capital commitments

At 29 March 2020 the group and charity had capital commitments of £37k (2018-19: £151k).

17 Related parties

Catherine Johnson CBE, Chief Executive, was a board member of Helpforce (resigned 3rd March 2020) with whom Royal Voluntary Service have a strategic partnership. During the year 2 members of staff were seconded to Helpforce.

The only other relevant related party transactions as required by FRS102 at 29 March 2020 are with the subsidiaries of the charity:

Charity intercompany balances at year end	2020 £'000	2019 £'000
WRVS Services Welfare Limited	155	(17)
Royal Voluntary Service Meals on Wheels Limited	-	2
	155	(15)

In 2019-20 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. No recharges are made from the charity in relation to overheads as the amounts are immaterial. The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

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 £32k (2018-19 £19k), this balance was outstanding at year end. The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

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. No recharges are made from the charity in relation to overheads as the amounts are immaterial.

18 Pension commitments

Royal Voluntary Service Meals on Wheels Limited

All commitments were settled and the final employee ceased employment in 2017-18.

Notes to Financial Statements for the year ended 29 March 2020

19 Analysis of changes in net debt

	At start of year	Cash-flows	Fair Value Movement	At end of year
	£'000	£'000	£'000	£'000
2019				
Cash	6,340	1,102		7,442
Cash equivalents	1,501	(1,501)		
Total	7,841	(399)		7,442

	At start of year	Cash-flows	Movement	At end of year
	£'000	£'000	£'000	£'000
2020				
Cash	7,442	(2,706)	-	4,736
Cash equivalents	-	4,003	-	4,003
Total	7,442	1,297	-	8,739