

Charity Registration No. SC012950 (Scotland)

Company Registration No. SC018487 (Scotland)

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE
(OPERATING AS VSA)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**

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EDINBURGH**

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ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

M Wilson (Chair of Trustees)
A Gall (Treasurer)
K Begg
G Miller
L Fenn
H Ouston
K Sinclair
D Watson
S Burt
J Knowles
A McBurnie
A Powe
K Shand
G Watt
P Murray

Secretary K Simpson (Chief Executive)

Charity number (Scotland) SC012950

Company number SC018487

Operating name VSA

Registered office

38 Castle Street
Aberdeen
AB11 5YU

Auditor

RSM UK Audit LLP
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Bankers

Bank of Scotland
39 Albyn Place
Aberdeen
AB10 1YN

Solicitors

Burness Paul LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Investment advisors

Aberdeen Standard Capital
1 George Street
Edinburgh
EH2 2LL

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

LEGAL AND ADMINISTRATIVE INFORMATION

Internal auditors

Anderson Anderson & Brown LLP
Kingswell View
Prime Four Business Park
Aberdeen
AB15 8PU

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**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS
VSA)
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees are pleased to present their report including a strategic report together with the audited financial statements for the year to 31 March 2019.

Directors and Trustees

The Directors of Aberdeen Association of Social Service operating as VSA (the charity), are its Trustees for the purpose of charity law and throughout this Trustees' Report are collectively referred to as the Trustees.

The Trustees of Aberdeen Association of Social Service who were in office during the year and up to the date of signing the Financial Statements were:-

A Hunter	Chair of Trustees to September 2018 (Resigned 25 October 2018)
M Wilson	Chair of Trustees from September 2018 (Appointed 13 September 2018)
A Gall	Treasurer
K Begg	
S Burt	(Appointed 22 April 2018)
L Fenn	
G Miller	
P Murray	
H Ouston	
K Sinclair	
D Watson	
A McBurnie	(Appointed 13 September 2018)
K Shand	(Appointed 13 September 2018)
G Watt	(Appointed 13 September 2018)
J Knowles	(Appointed 13 December 2018)
A Powe	(Appointed 13 December 2018)
C Inglis	(Resigned 14 June 2018)

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Key Management Personnel (Executive Management Team) at 31 March 2019

K Simpson	Chief Executive & Company Secretary
J Booth	Deputy Chief Executive
G Edwards	Director of Finance & Administrative Services (resigned 28 June 2019)
A Corbin	Director of Finance & Administrative Services (appointed 15 July 2019)
J Ewen	Director of Adult and Community Services
A Garden	Director of Children & Family Services
J Mitchell	Director of External Relations
C Nicholson	Director of Human Resources, Learning & Development
C Tamm	Director of Linn Moor Campus

Objectives and Activities

The objectives of the charity are:

- To provide for the general welfare of children, families, adults, older people, disabled people and people in need who are partially or wholly unable to provide for themselves.
- To act in co-operation with the statutory authorities and other organisations, voluntary or otherwise, engaged in the furtherance of general welfare.
- To establish, take over or administer, either alone or along with others, charitable funds or agencies, either as Trustees or in any other capacity.
- To establish and operate agencies or bureau for the purpose of giving advice or assistance on problems of a monetary and/or social nature, to those in need.
- To provide facilities for training in social service and for advancing the interest of the public in social work.

The main objectives and activities for the year continued to focus on providing a high level of care to existing service users whether they be children, families, adults or older people. The Trustees have had specific regard to the Charity Commission guidance on public benefit in section 4 of the Charities Act 2006 and the Scottish Charity Code of Governance.

Mission

The charity's mission is to provide the best of care and support to enable our community to fulfil its potential.

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Structure, Governance and Management

Governing Document

Aberdeen Association of Social Service, operating as VSA, is a charitable private company limited by guarantee and governed by its Memorandum and Articles of Association as amended on 10 October 2013. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR). Anyone can become a Member of the Company each of whom agrees to contribute one pound sterling in the event of the charity being wound up. There are two classes of Member, namely Annual Member and Life Member, dependent on subscription levels.

There are 46 Annual Members and 49 Life Members as at 31 March 2019.

Recruitment and Appointment of Trustees

The Board of Trustees aims to be a clearly identifiable body with the right balance of skills and experience to govern VSA effectively. Each Trustee has an individual, as well as collective, responsibility for exercising general control and management over the administration of VSA. The Board of Trustees directs the affairs of VSA and ensures that it is well run, delivers on its charitable objectives for the benefit of the public and remains solvent at all times. The Board of Trustees understands its responsibilities and ensures it has systems in place to deliver them effectively. This includes the identification of the broad skills, knowledge and experience required for the effective direction of VSA. The recruitment, selection and rotation of Trustees are based on the mix of skills, knowledge and experience that individuals have to offer, bringing diversity to the Trustee body. All potential Trustees are interviewed by a group of nominated Trustees before being recommended to the Board for approval.

The Board of Trustees is comprised of members who are elected as individuals. Members of the Board are elected at the Annual General Meeting, normally for a period of three years and for two terms of office. Usually one-third of current Board members retires each year, and are eligible for re-election, usually for no more than three terms of office. Members can be co-opted to the Board as vacancies arise, and may be nominated for election at the next Annual General Meeting. There should be no less than ten and no more than eighteen members on the Board.

VSA follows the OSCR regulations and guidance on Trustee Remuneration and no Trustees will be remunerated from the charity's assets unless there are exceptional circumstances that arise which comply with the OSCR regulations and guidance. There were no Trustee remuneration payments and no payments for expenses to the Trustees in the reporting year.

Trustee Induction and Training Programmes

New Trustees are provided with a copy of the Memorandum and Articles of Association and a pack of other documents (such as Financial Regulations) that describe the role, functions and operations of the Board, Committees and Sub Committees. New Trustees are also provided with, and briefed, on a document explaining the role of Board members as Company Directors and Charity Trustees. The documents, which are now available on the VSA website, explain Board Members' legal obligations under charity and company law. There is a regular and varied programme of Trustee induction and

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training in place. During the financial year regular training sessions were also undertaken with a particular focus on:-

- An in-depth review of the charity's Memorandum and Articles of Association
- Regular programme of site visits to gain further understanding of the work of the charity.
- Regulatory compliance workshops (Care Inspectorate).
- Fundraising and Good Governance workshop.
- Responsibilities and duties on the implementation of the General Data Protection Regulation (GDPR)
- Reviewing the external perspective and wider context within which VSA operates.(Bridge to the Future strategic document)

A series of workshops are planned for 2019/2020 to include detailed briefings around the new Charity Governance Code, Safeguarding and Financial Good Governance.

During the year qualifying third party indemnity insurance was in place to indemnify the Trustees against the consequences of any neglect or defaults.

Organisational Structure

The Board of Trustees meets quarterly to deal with normal business and although the Company Secretary sits on the Board he has no voting rights. The governance and management structure of the charity is such that there is a Services Committee and a Corporate Resources Committee. There is also an Audit & Risk Sub Committee, reporting to the Corporate Resources Committee. There is also a Business Systems Group chaired by a Trustee. These Committees meet regularly to monitor the work and performance of the charity and to develop new policies and initiatives as appropriate and make recommendations to the Board of Trustees. An Executive Committee can be called to act on behalf of the Board as required.

Dr K Simpson, as Chief Executive, is appointed by the Trustees to manage the operations of the charity. A scheme of delegated authority, approved by the Trustees, is in place to facilitate effective operations. The Chief Executive is supported by the Executive Management Team consisting of a Deputy Chief Executive and six Directors.

Strategic Report

The descriptions under the headings "Principal Risks and Uncertainties", "Reports from Services" and "Financial Review" meet the company law requirements for the Trustees, in their role as company directors, to provide a strategic report.

Principal Risks and Uncertainties

The principal risks and uncertainties that the charity faces have been identified and captured as part of its strategic risk management approach. Strategic risk management within the charity is the process of identifying significant risks and uncertainties, the occurrence of which would inhibit the smooth running, operational effectiveness and reputation of VSA. It involves assessing the likelihood and impact of their occurrence, determining the most effective methods of managing strategic risks or reducing them to an acceptable level. Strategic risk management also acts as a catalyst for

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improving strategic, operational and financial management, all of which are central to VSA delivering high quality services.

The Board of Trustees is ultimately responsible for the effectiveness of strategic risk management within VSA and ensuring there is a strong risk management culture with appropriate internal control systems and processes in place. The Trustees consider that the following framework provides VSA with adequate measures to reduce the impact of identified strategic risks and uncertainties:-

Strategic Risk Register Review – The Audit & Risk Sub Committee reviews the strategic risk register in detail on a regular basis to ensure it reflects the current internal and external environment within which VSA operates, and also takes account of all identified risks as well as control measures and further actions required. Each strategic risk is given a score in terms of its likelihood and impact on the charity if it occurred. The Audit & Risk Sub Committee identifies a strategic risk at each meeting for a more in-depth independent assessment of the effectiveness of the controls and risk mitigation measures, along with any further actions required. After scrutiny by the Audit & Risk Sub Committee the Strategic Risk Register is then presented to the Board for consideration and approval. The Audit & Risk Sub Committee also approved a Board Assurance Framework, a management tool which is the key source of evidence that links VSA's strategic objectives to the risks, controls and assurances contained in the Strategic Risk Register.

The Executive Management Team (EMT) – The EMT reviews on a regular basis the wide range of significant organisational risks and uncertainties, whilst regularly testing whether the internal controls framework is robust and effective. The internal controls framework is underpinned by robust systems, policies and procedures and the internal quality assurance framework to ensure that internal controls remain effective. If EMT considers that any emerging risks or uncertainties are strategically significant they will be escalated and included in the Strategic Risk Register. Reports presented to Trustees for consideration include a section on risk management, so that in agreeing any development, investment or change in service delivery, Trustees understand the level of risk and how it will be managed and monitored.

The principal strategic risks and uncertainties, along with control measures in place, are as follows

Principal Risks and Uncertainties	Risk Control Measures
Lack of sustained positive relationships with political leaders, funders and stakeholders potentially leading to reputational damage and loss of funding sources.	<ul style="list-style-type: none"> • External funding strategy in place • New CRM system implemented, including donor relationship management • Regular meetings with local political leaders whilst maintaining a politically neutral stance. • Membership of joint boards, strategy groups, national organisations, etc. to ensure VSA's voice is heard and is involved in development of policy and strategy.

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Inadequate financial control systems may lead to production of poor quality financial information which leads to poor decision making.	<ul style="list-style-type: none"> • Regular review of internal financial control arrangements. • Structured internal audit programme. • Variance analysis procedures clearly identified. • Financial Regulations regularly reviewed. • Regular in-depth review of all income sources
Lack of awareness of charity law/company law and OSCR regulations.	<ul style="list-style-type: none"> • Regular Board training and awareness sessions on charity law and regulatory framework in place. • Board induction and training programmes • Externally facilitated governance training workshops for Trustees and staff • Attendance at OSCR briefing sessions.
ICT systems compromised, including malicious use of social media, cyber-attacks, leading to a potential significant data protection breach, service failure or fraudulent activity.	<ul style="list-style-type: none"> • Business continuity and disaster recovery plans in place. 'Cyber Essentials' accreditation. • Robust data storage and back up arrangements in place. • Data protection policies and procedures in place. ICT acceptable use policy • Business Systems Group established
Health & safety at work breach relating to staff member, contractor, environmental (farm) or customer/service user.	<ul style="list-style-type: none"> • Robust health & safety policies and procedures in place supported by workplace training. • Health & Safety risk assessment reviews. • Robust accident investigation arrangements
Breach of duty of care in keeping vulnerable beneficiaries, volunteers etc in a safe environment	<ul style="list-style-type: none"> • Safeguarding policies & procedures reviewed. • Robust PVG checks, as appropriate, in place for staff & volunteers. • Promotion of whistle blowing policy to all staff.
Significant breach of General Data Protection Regulation (GDPR) requirements	<ul style="list-style-type: none"> • Compliance Team established to ensure organizational compliance and effective management of data subject rights • Implementation of data privacy impact assessment procedures • External assessment review completed

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Reports from Services and Key Outcomes

VSA has been delivering services to the citizens of Aberdeen for 149 years and has a well established reputation for delivering a high standard of care that has been verified by external regulatory bodies to allow service users to live the best of lives. VSA's services are focused on four discrete service delivery groups: Children & Family Services, Adult & Community Services, Education & Learning Services, Carers & Supporting People Services; providing a wide range of community-based services to a diverse population. There are also reports on the work of the External Relations Team, volunteering within VSA, as well as the other support, retail and training services.

(1) Children and Family Services

As a leading social care charity, VSA continually supports and strengthens the future of children and families through a variety of services. Professionally trained staff and volunteers are inclusive and flexible in their practice, recognising and respecting diversity, changing needs and reducing inequalities.

During the year VSA provided a breadth of services, with the aim of ensuring best outcomes for the most vulnerable of children and families in the local community. However some service areas continued to be affected by changes in Aberdeen City Council's commissioning arrangements. Since October 2018 VSA has been working in partnership with Aberlour Trust to undertake community based parenting assessments for families living within Aberdeen city. The service, known as "Insight" is being delivered as a two year pilot project. Over this period VSA will work closely with the Social Value Lab who are commissioned as external evaluators. The residential service at Richmondhill was maintained to provide independent residential parenting assessments to families from other local authorities across Scotland. The service worked closely with the communication and marketing team to update and circulate promotional materials.

Key Outcomes: *Since its inception in October 2018 the Insight service has undertaken parenting assessments for 10 parents with an expected outcome of 20 assessments in a full year.*

The specialist Children and Families teams continued to provide school based counselling for children within three of the city's Associate School Groups. The team continued to support inclusion of children with additional support needs (ASN) through the Additional Support Needs Advisory Project (ASNAP) and in our nursery - Maisie Munro's - where care and support was provided to all children in a small and nurturing environment.

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Key Outcomes: *An average of 14 children supported directly each month.*

The Family Contact Centre played an essential role in helping children through family breakdown by supporting them to have contact with the parents they no longer live with, or extended family members. The central concept of the Family Centre is to provide a safe, nurturing and child centred environment where they can meet their parent or family member. A dedicated manager is responsible for ensuring that the environment and activities remain child focused and are appropriate for those attending. The Manager also has responsibility for the recruitment and training of the volunteer team employed within the service.

Key Outcomes: *The Family Contact Centre offered 248 hours of contact during the year, facilitating 2,232 visits between children and their non-resident parent. The Centre Manager worked intensively with parents to facilitate contacts for 8 children with additional support needs and one child with complex needs.*

(2) Adult and Community Services

These services strive to provide the best of care, while promoting independent living and social integration, ensuring the individuals accessing them have every opportunity to live the best of lives. The approach is always needs-led by placing the individual at the centre of what the charity does, assisting them in having every opportunity to lead fulfilling and meaningful lives.

Adult and Community Services fall under four main types:-

- Services for older people
- Mental wellbeing services
- Services for individuals with a learning disability
- Easter Anguston Farm

Services for Older People

VSA touches the lives of thousands of local older people every year. A range of flexible and adaptive services were offered throughout the year, including two residential Care Homes - Ruthrieston House and Crosby House and two Housing with Support/Care at Home services - Broomhill Park and Cloverfield Grove.

Two activity centres at Broomhill and Woodside offered members a range of stimulating activities, classes and peer groups for the over 50's.

The residential care homes at Ruthrieston House and Crosby House were in high demand during the financial year, with a number of referrals waiting for placements. However during the financial year there was a drop in referrals to the Cloverfield Grove and Broomhill Park. Both these locations deliver a care at home/housing support model of care. The original contract for these services with Aberdeen City Council was to provide care for adults over 65 years of age. Through discussions with care management, contract managers and the lead officer on delayed discharges, VSA successfully negotiated that the age eligibility for this service be decreased to 55 years and over which means that adults with a learning disability or mental ill health issues are also now eligible. This resulted in a pick-up in the number of referrals.

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We also have been working in partnership with the delayed discharge team, resulting in approval from the Council's Strategic Commissioning Board for an exciting new project to be piloted at our Older Adults Housing Support/Care at Home Services. The aim of the project is not to let some of our very sheltered housing flats to individuals but instead to the Health & Social Care Partnership who would then place individuals in those properties on an interim basis until their permanent Very Sheltered Housing placement became available. This project will be rolled out during the 2019/2020 financial year.

Key Outcomes: *An average of 246 adults were directly supported across all service locations. There were 1.9 million hours of care provided throughout the financial year. All establishments inspected achieved grades of 4 or 5 (good or very good). Partnership working developed with a number of organisations including Aberdeen City Council delayed discharge team.*

Mental Wellbeing Services

VSA supported over 200 people during the year with a diagnosis of mental illness in Aberdeen City. Services varied depending on need, from outreach services delivered in the community, to residential care homes. All mental health services focus on supporting recovery and building resilience of people, not just on treating or managing symptoms. The mental health service includes three care homes for adults with enduring mental health issues, one housing support/care at home service, one rehabilitation unit and an outreach service.

Key Outcomes: *Two mental health operational service managers completed a 'train the trainers' course in recovery coaching and subsequently trained the majority of mental health staff. Westerton House achieved Grade 6 (Excellent) from the Care Inspectorate. This grade is only given where services are deemed to be innovative and leaders in their field. Westerton House was also shortlisted for the SSSC Excellence in Mental Health Services Award.*

Services for Individuals with a Learning Disability

VSA continued its commitment to ensuring a high standard of care for every individual accessing our services. Life, vocational, social and personal skills are developed in a safe way that is meaningful to the individual. VSA offers Housing Support and Care at Home for adults with learning disabilities, providing a person-centred approach to community care. Tenants are given support to maintain their own tenancies both at Craigton Grove and throughout Aberdeen City.

Key Outcomes: *A number of collaborative working initiatives were developed with partners.*

Easter Anguston Farm

This is a working farm which continued to offer vocational training for adults with additional support needs. Service users can gain life skills along with skills in animal husbandry, horticulture, agriculture, catering and retail.

Key Outcomes: *A new farm business development plan, including farm shop and café, was implemented during the financial year and will be reviewed on an annual basis.*

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(3) Education and Learning Services

VSA has a proud history in the delivery of exceptional care and support for individuals with additional support needs. The education and learning service at the Linn Moor Campus continued to provide outcome driven care and education that is responsive to the individual needs and requirements of the children and young people in our care. The service specialised in providing a structured, nurturing and person-centred approach and was fully committed to a whole life philosophy, enabling children and young people to lead fulfilling lives, to maximize their potential and to access experiences and opportunities open to other young people in the community.

Linn Moor Residential School

Linn Moor Residential School has a proven track record in providing specialist residential care and education for children and young adults with autism as well as related conditions such as social and communication difficulties and learning disabilities.

Linn Moor's residential provision consisted of seven self-contained group homes, each accommodating between two and four residents. The campus provided for up to 21 residential/education placements during the financial year and also offered a number of places for day pupils. VSA continued its endeavours to provide the highest standards of accommodation across all the residential units, creating pleasant and comfortable environments for those within our care. The education delivery at Linn Moor school operated with a staff to pupil ratio of a minimum of 1:1. In line with the Curriculum for Excellence the children and young people were provided with a breadth of learning opportunities set out in their individualized timetables, with tasks appropriately challenging to take into account different ability levels and learning styles.

Each young person had an individual outcome-based plan which, through an ongoing process of assessment, planning and evaluation, identified specific life skills to develop or consolidate. These plans were produced in partnership with the young people, where possible, and also took into account the wishes and expectations of families and other relevant professionals.

Key Outcomes: *Linn Moor achieved grade 5 (very good) from the Care Inspectorate. An average of 24 young people were supported during the financial year. 139,000 hours of care provided. 4,920 qualified teaching hours were provided along with 20,050 supported education hours. Over 200 dedicated speech and therapy hours were provided.*

Rowanlea House & Cottage (Supporting Young People with the Transition to Adult Life)

The Rowanlea service, situated in the Linn Moor campus provided an intensive Housing Support and Care at Home service for young adults aged between 16 and 26 years. The residential provision was split over two separate units, Rowanlea House, the home to 3 young adults and Rowanlea Cottage, the home to 2 young adults. The aim throughout the year was to build and consolidate on the skills already developed during formal education and to enable our tenants to participate as fully as possible in all decisions relating to their lives. The model continues to be based on inclusion, promoting the integration of our tenants in their local and wider communities.

The service focused on providing an outcome-based approach to support and develop young people across a broad range of life skills and the attainment of educational qualifications. This ethos was

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designed to encourage and empower the young adults to become as independent as possible within a supportive and stimulating environment.

Key Outcomes: *Rowanlea service achieved a grade 5 (very good) from the Care Inspectorate. The report stated "We saw people enjoying good outcomes such as playing with a football in the garden, going out for their own shopping and choosing where to have lunch".*

(4) Carers and Supporting People Services

Specialist Day Care and Home Support

VSA provides support to adult carers throughout Aberdeen City. The carers' support services include Airyhall Carers Respite service offering day care support to adults over 55 years who have a diagnosis of dementia or other neurological condition, as well as weekend day care and home support for those suffering with dementia.

The Adult Carers Service works hard in continuing to support unpaid carers across Aberdeen this year by providing information, advice and support to local adult carers and carer groups. April 2018 saw implementation of the Carers (Scotland) Act 2016 introducing the entitlement for all adult carers to an Adult Carer Support Plan. An "Adult Carer Support Plan" is compiled through outcome focussed conversations and helps to identify the individual needs that carers may have. We have supported the completion of 120 Adult Carer Support Plans during 2018-2019. We have also produced and co-delivered a training programme which is based on our outcomes framework. This training has been delivered to Care Management teams at Aberdeen City Council to support them in the completion of Adult Carer Support Plans.

During 2018-19 we have delivered various carer awareness presentations to organisations across the city and attended specific events organised by our partners. In addition, we have continued to hold carer support groups, toolkit workshops and have held monthly carer cafés. It is estimated that there are almost 38,000 unpaid or informal carers in Aberdeen, which highlights the need to promote our services and provide support to those in need.

Carers Week 2018-19 – Healthy and Connected

Carers Week is an annual campaign to raise awareness of caring, highlighting the challenges carers face and recognise the contribution they make to families and communities throughout the UK. The campaign is brought to life by thousands of individuals and organisations who come together to organise activities and events throughout the UK, drawing attention to just how important caring is.

VSA Carers Resource Service celebrated Carers Week this year by hosting a series of events and activities across the city to help support carers to stay 'Healthy and Connected'.

Being Healthy and Connected is about building communities which support carers to look after their loved ones well, while recognising that they are individuals with health and wellbeing needs of their own.

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Events that were ran this year included:

- Carers Café at Aberdeen Central Library
- Information stands at the Health Village and the Trinity Centre
- Carers Roadshow at Royal Cornhill Hospital
- Cooking for Carers with CFINE at Cook at the Nook
- Afternoon Tea and Spa at the Altens Hotel

The Carers Services work across the Aberdeen City localities identified by the Aberdeen Health & Social Care Partnership, as well as having bases in Castle Street, Cornhill Hospital and Airyhall in Aberdeen. Since the implementation of the Carers (Scotland) Act 2016 the team has been working proactively with care management staff from Aberdeen City Council to fulfil the statutory requirements of the Act.

2018-2019 - Carers Support Services Key Outcomes:

- 3,539 People directly supported at Airyhall Respite Service
- 1,716 Carers directly supported
- 318 New Carers Identified
- 40 Carer Awareness Presentations
- 78 Awareness Raising Events Attended
- 59 Counselling Sessions Provided
- 195 Adult Carers Support Plans completed and in place to support carers with their individual caring needs

(5) Volunteering

The work that the charity does to support vulnerable people would not be possible without our dedicated supporters. We are incredibly privileged that every year we have hundreds of people from across the community step forward to volunteer their time, expertise and skills. VSA recognises the added value that volunteers bring to the organisation and also the need to make the volunteering experience one that benefits the individual volunteer to enhance their skills, confidence and knowledge. The charity continues to look to widen the scope of opportunities available, with a focus of enabling those who are vulnerable, isolated or have additional support needs to access volunteering as part of their personal development.

Volunteering - Individuals. Over the 2018/19 financial year the volunteering and development team continued to focus on the quality of the volunteering experience, working with operational staff to identify beneficial opportunities for volunteers, ensuring that their efforts added value and contributed effectively to the achievement of VSA's social impact and charitable objectives. There was a review of where/how volunteers could best contribute and we have also extended the ways in which volunteers can be supported with the aim of enabling and encouraging more people in the community to participate. This will widen the demographic profile of those who support VSA and provide worthwhile and meaningful opportunities for them. Creating this kind of volunteering strategy not only helps VSA increase levels of community involvement and engagement but it also can bring benefits to individuals

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who might use volunteering as a part of their rehabilitation strategy to overcome isolation or to increase skills and confidence. The Mercat Bookshop has many positive examples of the impact volunteering can have on individuals and the local community and we aim to extend this approach to other parts of the organization where it is appropriate.

There has been a strong focus on the quality of the volunteering process and experience for everyone who contacts us, demonstrating the value we place on volunteers and our appreciation of their contribution to our work. The volunteering and development team ably support both existing and prospective volunteers, from initial point of contact through to recruitment and training, and continue to provide support, mentoring, guidance and management to those with active volunteer roles.

Key Outcomes: *The Volunteer and Development team have continued to build on the systems and processes in place so that every potential volunteer is given timely, accurate and appropriate information. Recruitment, induction, training and ongoing support is approached in a standardised way across the organization. This will be enhanced when new business systems are introduced. This kind of dedicated support is invaluable to the volunteers and to the development of volunteering within the city. There are several examples of individuals who took their first tentative steps as VSA volunteers and who have now re-trained or developed new skills and are engaged as VSA staff. In order to provide this level of support there has been a conscious effort to rationalize volunteering to areas of the organisation where it adds real value and we will continue to maximise the effectiveness of volunteering, enabling people to play an active and relevant part in their community.*

Volunteering – Groups and Associations. Corporate volunteering has continued to be successful during 2018/19, with a substantial increase in the demand from local and national companies to support VSA in this way. Corporate volunteering provides a mutual benefit in the sense that the corporate organisations benefit from fulfilling their corporate and social responsibilities whilst also using the exercise as part of team building or development opportunities. Whilst VSA are the beneficiaries of the volunteering time and the contribution made to our services and environments, it also provides the charity with the opportunity to engage and build long term relationships with the local business community to secure long term corporate partnerships. Working with the fundraising team, this generates potential to engage groups and companies in offering financial support to VSA. It is anticipated that the levels of corporate volunteering will increase in the years ahead, and with it the opportunities to generate corporate sponsorship.

Key Outcomes: *During 2018/19 financial year there were 41 corporate volunteering days involving 693 volunteers which equates to 4,746 corporate volunteering hours. Based on the Scottish Living wage of £8.75 per hour this equates to a wage equivalent of £41,527 per annum. Given some of the projects undertaken and ongoing support from these corporations this is considered to be a conservative figure in terms of the actual contribution and value that corporate volunteering brings to VSA. During the financial year the charity was also successful in securing the contract to be the preferred national supplier of volunteering days for the Aberdeen Shell office for 2019. The charity was able to beat off competition from a number of national charities to secure this contract.*

Due to the success of Corporate Volunteering a dedicated resource was appointed and the focus for the coordination and delivery of corporate volunteering now sits within the Volunteering and Development Team.

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Volunteering - Internal. A continuing feature over the 2018/19 financial year has been the increased level of internal volunteering, where employees from across the organization give their personal time to support frontline services and fundraising events. This brings benefits for the individual and also shows the dedication and commitment of our employees in going beyond their role to support their colleagues in other parts of the organisation.

Plans for the future include continuing to extend opportunities for a wide range of volunteers, tracking the development of longer term relationships with corporates and continuing to encourage internal volunteers.

(6) Training, Other Support and Retail Services

VSA also offers some unique retail opportunities, visitor attractions and training services which are also available to the wider public; from the Mercat Bookshop in Castle Street to the recently renovated, family friendly Easter Anguston Farm, Shop and Café.

There continued to be a high priority placed on staff training and development across the charity during the financial year. A key outcome was the launch of our Modern Apprenticeship Scheme. This built on the continued successful delivery of a suite of SQA approved statutory qualifications. This will see staff combine these additional core skills to achieve both their qualification and the award of a modern apprenticeship. This will secure a steady stream of funding to help offset both the central overhead costs and Apprenticeship Levy incurred to deliver our statutory qualifications for staff.

In addition we successfully secured Government funding which allowed for the development and delivery of a 4 day Management Development programme for all managers, aimed at ensuring they are equipped with the skills, and knowledge to successfully lead and manage their teams. This will now become a core course on the annual programme of delivery, ensuring that managers are supported as they progress into care management and leadership.

Key Outcomes: *Successful launch of the Modern Apprenticeship scheme. There are now 115 new lifesavers due to First Aid Training held throughout the year. Over 70 staff attended Adult Support & Protection one day course linking to the Grampian Interagency policy. 36 staff were trained in personal safety, a course aimed at staff who are lone working for either part or all of their shift. 176 staff were trained in Behavioural Support Strategies.*

External Relations

Communications and Marketing

Over the course of the year the communications and marketing team worked with an external partner to refresh VSA's branding to give it more of a modern feel; one which is visually engaging to a wider demographic across a range of printed and digital materials. We also evolved our brand logo from the "Best of Care" to the "Best of Lives", which was aligned with our strategic direction. The Best of Care is something we deliver and can be evidenced through our care inspectorate reports and feedback from key internal and external stakeholders, including most importantly, feedback from the people that use our services. The Best of Lives is what we aspire to for everyone whose lives we help change through the services we deliver.

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Feedback from a range of internal and external stakeholders about our refreshed look and associated promotional materials has been very positive. We have seen a direct increase in engagement across multiple channels. Over the next 12 months, the team will continue to evolve VSA's marketing & promotional materials, including the development of new products and materials to support the fundraising department and wider VSA services.

The team continued to grow the charity's digital and print presence and secured a two-year partnership with a local newspaper the 'Evening Express' to support our capital fundraising appeal and our wider 150th anniversary plans in 2020.

Key Outcomes:

Social Media - followers:

Facebook: 9,331 (across two pages)

Instagram: 629

Twitter: 2,967

Total Number of Followers: 12,927

Number of website visits during the year: 50,060

Fundraising

VSA adheres to the highest fundraising standards as set out by the charity regulator OSCR, and in addition, we follow the Fundraising Code of Practice as regulated by the Fundraising Regulator.

Voluntary fundraising is an important source of VSA's income. We could not fulfil our charitable mission without the support of generous, thoughtful and committed donors. We value the support of donors and understand the need to balance our duties to beneficiaries with our duties to donors.

VSA operates in line with the values of the Fundraising Code of Practice; to be Legal, Open, Honest and Respectful in all our fundraising. To promote and underpin these values VSA has committed to the following standards:

- We will be clear about who we are and what we do
- We will give a clear explanation of how you can make a gift and change or stop a regular donation
- If you do not want to give or wish to cease giving, we will respect your decision
- We will respect your rights and privacy
- We have a procedure for dealing with people in vulnerable circumstances and it will be published on our website or will otherwise be available on request

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- We will hold your data securely
- We will communicate with you in accordance with your selected preferences

One of our key aims during the financial year was to increase the voluntary income we received to enable us to change more people's lives. The voluntary income we receive allows us to provide enhanced environments, experiences, and opportunities to vulnerable people to help them realise their dreams and lead integrated lives.

Fundraising remains challenging in the Aberdeen area due to an economic downturn in one of the main industries in the area; that said we are very grateful for the wonderful support we receive year on year and we are delighted that last year we increased our voluntary income through diversifying and pro- actively securing income across five core streams; Corporate, Groups & Associations, Events, Individuals, Trust & Foundations.

The team has a strong fundraising strategy in place to grow voluntary income year on year for VSA whilst delivering a major fundraising capital appeal.

Key Outcomes

During the course of the financial year the fundraising team developed key relationships with corporate entities such as Aberdeen Standard Capital, BP, Apache, and others who pledged or donated financial support.

The Fundraising Team in collaboration with other senior management and the Board of Trustees designed and implemented a major capital appeal the 'VSA Changing Lives Mental Wellbeing Campaign' with the aim of fund-raising £3.2 million to build a new mental wellbeing residential facility in the heart of Aberdeen. The team has secured through pledges and cash £2.1million to date, and a public appeal was launched in April 2019.

Key fundraising events during the course of 2018/19 included: Run Balmoral, London Marathon, Sing, Sing, Sing, VSA Changing Lives Ball, and a Guid Noel. Approximately 1900 people supported us across all of the above events. The team is currently developing a wider portfolio of events for 19/20 which will include international hikes, runs, and cycles.

To aid the development of future fundraising income and to provide greater insight and analytics into our fundraising performance, we invested in a new CRM system called Salesforce, which went live in January 2019. The new database will allow us to get to know our supporters and their preferences better whilst being able to accurately record information such as thank you letters, and donations in one location.

Plans for Future Periods

VSA has identified a clear vision and has endorsed that vision based on feedback from internal and external stakeholders. The vision is: to use our resources effectively, to ensure the people who rely on and use our services can live the best of lives. Three core objectives have been identified to achieve this:

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- Delivering the best of care to ensure service users have the "best of lives".
- Sustaining financial viability.
- Protecting and promoting the VSA brand, services and reputation.

We took the opportunity to clarify our vision for the future and to raise awareness of the work we do and the services we deliver. In preparing for our 150th anniversary in 2020, as well as the longer term 2030 vision, there are a number of projects which needed to be coordinated in order to secure VSA's position. This was communicated both internally and externally. Eight workstreams had been identified which underpin the above three core objectives and were further developed and expanded during the year.

The updated workstreams are as follows:

1. **A Bridge to the Future.**

Workstream Leaders: Chairs of Trustees/Chief Executive.

The final version of the document was approved by Trustees in March 2019. As VSA reflects on approaching 150 years of service in the community what are the principles and values which are core to the work that we do and the way in which it is done? Work is now completed and the working groups received feedback from over 600 people across all stakeholder groups. The conclusion was that it was widely accepted as the right approach for VSA

2. **Governance.** Workstream Leaders: Chairs of Trustees and Chief Executive.

The final version was agreed by Trustees and will be presented to the 2019 AGM.

3. **Quality and Compliance.** Workstream Leaders: Deputy Chief Executive and Head of Quality Assurance & Improvement.

The purpose was to develop internal quality assurance and improvement systems and methodologies to enable VSA to evidence both externally and internally how the charity delivers the "best of lives" through the delivery of outcomes for the many people we support. The Head of Quality Assurance & Improvement facilitated a number of joint workshops with the Care Inspectorate around service improvement models, medication, care planning. This new methodology has shaped our quality assurance model and will be fully implemented and monitored across the charity by the end of 2019.

4. **Business Development.** Workstream Leader: Director of External Relations.

The major proportion (around 95%) of VSA's income is derived from contracts delivered to statutory organisations. Therefore the updating of service marketing materials has been identified as a priority to ensure services can be memorably pitched to commissioning authorities and other funders. This work will be fully completed by December 2021.

5. **Fundraising and 2020.** Workstream Leader: Director of External Relations.

In addition to statutory funding, VSA is able to deliver high quality standards of service because we attract voluntary income through donations, grants, legacies, funding raising events etc. For several year it has been a core objective to diversify our income streams and the current investment in fundraising is part of this. Community events have been arranged throughout 2019 and 2020. The medium-term fundraising strategy has been updated and the Capital Appeal was launched in April 2019.

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6. **Property Review.** Workstream Leader: Deputy Chief Executive supported by Asset & Facilities Manager. An ongoing programme of review not only of the physical condition, safety and environment of our buildings but also to consider whether existing buildings and facilities are in the correct location and are fit for purpose to meet the vision, ethos and priorities for the charity's services. The property team are conducting detailed condition surveys of all the charity's sites to aid in the development of a full VSA Property Asset Management Plan (PAMP). As part of the wider asset management plan we are in the process of divesting of two assets that are no longer fit for purpose.
7. **Workforce Development.** Workstream Leader: Director of HR, Learning & Development. Our people are key in the development and delivery of the strategic vision. VSA will continue to build on its commitment to workforce development by providing all employees and volunteers with the qualifications and training required to meet the requirements of their current and future roles. The workforce development strategy will look at how we develop the next generation of employees to meet increasing needs and will equip them with the necessary skills to display confidence to all our stakeholders in the sustainability and quality of the services we provide. The development of the VSA Modern Apprenticeship programme is underway, as is the review of the appraisal and supervision process. Plans are in progress for management development and for the development of an overarching Workforce Strategy.
8. **Business Systems.** Workstream Leaders: IT Manager and Business Systems Manager. A review of existing systems has taken place, which commented on the effectiveness, efficiency and shelf-life of our current systems. A Business Systems Strategy is being developed to identify key pinch points and priorities for investment in business systems going forward. The charity has purchased and implemented a new client relationship management (CRM) system that will provide the bedrock for the development of the wider business systems requirements. This system is already in use to support fundraising and the 2020 campaign. The next proposed development will be finance and related systems.
9. **Implementing Improvement.** Workstream Leader: Chief Executive. This workstream will run from May to December 2019 and is a pan-organisation review of our existing structures to ensure maximum efficiency and effectiveness. This will specifically focus on the organizational development and improvements required to support the delivery of the Strategic Plan. It will keep the communication channels open with internal stakeholders who will play a pivotal role within the organisation, supporting the implementation of any improvements, innovation or efficiencies required in their area of work that will be fed from the strategic workstreams. Work has begun with Directors and Service Managers to review their processes and structures and to align them with the key drivers and strategy.

The Chief Executive is overall Programme Director for the workstreams. Each workstream has a lead officer who is responsible for delivering on the agreed objectives for each to agreed timescales, as well as co-ordinating and collaborating with other workstream lead officers to ensure integrated outcomes are identified wherever possible. The Board of Trustees will be updated quarterly on progress.

Financial Review

The financial results of the charity show net expenditure for the year of £821,000 (2018: £1,592,000). This is further analysed as follows;

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	£,000
Net Incoming Resources on charitable activities and trusts & endowments (before Depreciation, Minor Works and Health & Safety expenditure met from Designated Funds)	67
Deduct: Depreciation charged to unrestricted funds	(557)
Depreciation charged to revaluation reserve	(406)
Adjust for: Expenditure on Minor Works, Health & Safety initiatives, Compliance Team costs and preparatory costs for 2020 events met from Designated Funds	(589)
Adjust for: Realised/Unrealised Gain on Investments	275
Adjust for: Capital Receipts restricted to offset future capital expenditure	389
Net Expenditure	(821)

Funds of £25,000 and £170,000 for minor works and health & safety initiatives respectively were brought forward from the 2017/18 financial year. An additional sum of £300,000, to enhance the Minor Works designated fund, was approved by the Board of Trustees in December 2018. The programme of spend for both the Minor Works and Health & Safety designated funds was determined on a corporate priority basis. The sums of £242,000 and £152,000 were expended during the financial year leaving the sums of £83,000 and £18,000 to be carried forward to the 2019/2020 financial year for minor works and health & safety initiatives respectively. During the prior year a sum of £150,000 was also designated to meet the costs of the newly created Compliance Team. £149,000 of this sum was expended in this financial year, leaving a balance of £1,000 carried forward to the 2019/20 financial year.

The following designated funds were also approved by the Trustees during the financial year. 1) a sum of £100,000 to cover the costs of some planning and preparatory works in relation to the 150th anniversary celebrations in 2020. The sum of £46,000 was expended in the financial year with the balance of £54,000 carried forward to the 2019/20 financial year. 2) a sum, yet to be determined, for future works at Cloverfield Grove.

The movement in designated funds, within Unrestricted Funds, is detailed at Note 23 to the Financial Statements.

There was an adjustment for net gains or losses on investments. There was a realised gain on the sale of some investments during the financial year of £330,000 (2018: £350,000), offset by an unrealised loss on the value of investments at 31 March 2019 of £55,000 (2018: £369,000).

Capital expenditure incurred during the financial year was £679,000 compared to £713,000 expended in the previous financial year. Capital expenditure was incurred over a range of projects including, new server areas and fire improvements at Crosby House (£105,000), Easter Anguston farm

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education room extension (£113,000), Farquhar Cottage, Linn Moor extension (£88,000), Broomhill Park upgrade fire alarms and health & safety improvements (£56,000) as well as further preparatory costs on the planned new build at Abergeldie Road (£56,000).

Reserves Policy

The charity aims to maintain adequate level of available reserves to:-

- Provide protection against fluctuations in income from various sources so that existing services remain fully funded.
- Provide a source of funding for new services and capital expenditure programmes.
- Respond to unexpected high priority additional expenditure pressures.

The Trustees considered the following factors in determining an effective reserves policy.

- Evaluating the current and future financial environment, both internal and external, in which VSA is operating.
- Deciding on what is an appropriate measure of available reserves.
- Determining a target level of available reserves.

The financial environment in which VSA is operating. The Trustees considered the following factors, with a focus on the 2019/20 financial year.

- (1) The certainty of future flows of budgeted income, including an assessment of whether service delivery contracts were due for renewal or renegotiation, along with an assessment of funding pressures on those statutory bodies which provide most of VSA's statutory income.
- (2) The potential for unbudgeted expenditure being incurred which cannot be offset, timeously, by reprioritising other areas of spend.
- (3) Future spending plans on large revenue and capital projects and how they are to be funded.
- (4) Policy on use of designated funds within unrestricted reserves.
- (5) The strength of the fundraising resource and fundraising strategies.
- (6) Assessment of the approach to strategic risk management.
- (7) Property asset management planning.

What is an appropriate measure of available reserves? During the financial year the Trustees confirmed that the measure of available reserves should remain as the level of investments plus cash held in the various bank accounts.

What is the target level of available reserves? Based on an assessment of the current financial environment the Trustees confirmed that the target level of reserves should remain as the equivalent to 6 months trading (operational) income.

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As at 31 March 2019 the actual level of available reserves (investments plus bank balances) was £5,155,000. The target level of available reserves, based on 6 months equivalent operational income (excluding legacies and donation income) in 2018/19, was £7,764,000. The actual level of reserves fell short of this target at 31 March 2019. The Trustees agreed to keep this under close review, whilst noting that a strong fundraising campaign was planned for 2019/20 and a large capital receipt from the sale of a surplus property was anticipated to be received during 2019/20 financial year subject to the purchaser obtaining planning approval.

The Trustees continued to review the financial environment on a biannual basis, which in turn informed the determination of the target level of reserves.

Principal Funding Sources

The principal funding sources are currently by way of grants from Aberdeen City Council, both directly and via the Aberdeen City Health & Social Care Partnership, as well as income from board and residential charges. Some services such as Linn Moor School and Richmondhill House receive funding from local authorities throughout Scotland depending on the clients who make use of the service. Funding is also received from The Scottish Government as well as individual Trusts and Foundations. More detail on grants is given in Note 4 of the Financial Statements.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the Trustees have the power to make any investment for the benefit of the charity but not for the avoidance of tax. The Trustees, having regard to the charity's liquidity requirements, have a policy of keeping an appropriate level of funds available in interest bearing bank accounts to meet short-term operational needs. The remaining funds are held in a portfolio managed by the charity's appointed investment managers, Aberdeen Standard Capital.

The Aberdeen Standard Capital investment portfolio is managed on a discretionary, balanced basis. The fund is invested primarily to generate annual investment income from dividends of approximately £200,000 per annum. The actual dividend income received in 2018/19 was £168,000 due to the reduction in the value of the Fund as a result of cash withdrawals to meet the capital expenditure programme and expenditure from the designated funds. The level of risk attached to this portfolio was determined by the Trustees as 'medium'. The portfolio investment performance is measured against a composite benchmark index consisting of the following:-

FTSE Govt All Stocks Index (15%), Corporate Sterling Bonds Non Gilts Index (15%), FTSE All Share Index (40%), FTSE World ex UK Index (20%), Cash - LIBID 1 month notice Index (10%). The only investment restriction agreed by the Trustees is that the fund is not to invest directly in the tobacco sector.

The market value of the combined portfolio as at 31 March 2019 was £4,405,000 (2018: £5,220,000).

The main reasons for the decrease in valuation were due to cash withdrawals of £750,000 during the financial year, essentially to fund expenditure met from the designated funds for minor works, health & safety investment and the compliance team, as well as funding the capital investment programme. There was a realised gain on individual investments sold during the year of £330,000 (2018:

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£349,700). However this was offset by an unrealised loss on investments of £55,000 (2018: £366,000).

The overall investment performance of the combined portfolio was slightly ahead of its benchmark over both the rolling 3 and 5 year periods.

Remuneration Policy

VSA's remuneration policy is based on motivating staff to achieve the aims and objectives of the organisation, in line with its charitable aims and objectives.

As a people based organisation, VSA aims to provide a competitive remuneration package to attract, motivate and retain staff at all levels, recognising the local employment market conditions. The Board of Trustees previously appointed a Remuneration Group, which has been absorbed within the remit of the Audit & Risk Sub Committee that will advise Trustees on the remuneration policy for both senior personnel and staff at all other grades within the organisation. The Director of Human Resources, Learning & Development provides advice to the Trustees on the review and implementation of VSA's remuneration policies and practices.

The following methods are used to assist with decisions on employee remuneration;

- To monitor staff retention and recruitment to ensure VSA remains competitive.
- To conduct benchmarking exercises within the sector and local economy to ensure VSA is competitively placed.
- To consult local and national surveys relating to executive and management pay as well as staff at all levels.
- To seek legal and professional advice on remuneration to ensure VSA complies with equal pay and living wage requirements.
- To develop remuneration and benefits strategies which are budgeted and cost effective to retain key personnel (pensions' entitlements, allowances, holiday entitlements, home working arrangements, flexible working arrangements etc.)

The key focus for the charity in recent years has been to ensure that VSA pays frontline staff on or above the Scottish Living Wage. Despite uncertainties around funding levels VSA has been able to achieve this and also manage the knock on effects relating to salary differentials for all grades across the organisation. Given the challenging local job market it is important that the charity remains competitive to attract quality staff to deliver high quality services to deliver the best of care and achieve the best of lives for the many people we support.

Staff Inclusion Policy

During Financial Year 2018/19, a programme of consultation with staff ("A Bridge to the Future") was launched with a view to gaining their input to our strategic direction for the future. This created a number of opportunities for staff to engage, share their views, opinions and express their priorities for the future of VSA. This included:-

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- CEO attendance at team meetings across all directorates, offering the opportunity for direct discussion, including open session Q & A.
- Issue of an electronic Employee Opinion Survey and collation of results.
- Dedicated Feedback email address for staff to raise concerns, offer feedback, share views and opinions.
- Further attendance at team meetings across all Directorates during early summer 2019, to provide early feedback on the key messages received, and updates on actions taken against these to date.
- CEO Publication/newsletter issued 1 July, to provide written update and feedback of actions taken to date.
- Managers workshop planned for August, to engage and further develop "A Bridge to the Future".
- IIP Annual visit, including one to one interviews with a cross section of staff (selected at Random by IIP External Assess) was undertaken in May.

Disability Policy

VSA is an Equal Opportunities employer, seeking to employ a wide range of skills and talents to ensure a diverse and committed workforce. A comprehensive suite of policy and practice, in support of this, is contained in our Employee Handbook. VSA Continues to be a Gold Member of Investors In People. Our recruitment policy and practices comply with the "Safer Recruitment" Guidelines, a joint publication issued by the SSSC and CI. This is regularly audited during annual CI visits. Our equal opportunities policy extends to include access to our training and development opportunities, making this available for all. VSA continues to be committed to the Disability Confident scheme.

Auditor

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting of the charity.

The Trustees' Report was approved by the Board of Trustees.



M Wilson (Chair of Trustees)
Trustee

Dated: 5th Sept 2019

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees, who are also the directors of Aberdeen Association of Social Service (Operating as VSA) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

Opinion

We have audited the financial statements of Aberdeen Association of Social Service (Operating as VSA) (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you 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 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 other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) (CONTINUED)

Use of our report

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

RSM UK Audit LLP

18 September 2019

Janet Hamblin CA (Senior Statutory Auditor)

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

Chartered Accountants

First Floor, Quay 2

139 Fountainbridge

Edinburgh

EH3 9QG

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ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<u>Income from:</u>					
Donations and legacies	3	317	717	1,034	514
Charitable activities	4	13,064	1,858	14,922	14,805
Other trading activities	5	195	-	195	167
Investments	6	169	-	169	222
Total Income		13,745	2,676	16,320	15,708
<u>Expenditure on:</u>					
Raising funds	7	379	-	379	350
Charitable activities	8	15,037	2,000	17,037	16,931
Total resources expended		15,416	2,000	17,416	17,281
Net gains/(losses) on investments	12	275	-	275	(19)
Net (outgoing)/incoming resources before transfers		(1,396)	575	(821)	(1,592)
Gross transfers between funds		(3)	3	-	-
Net movement in funds		(1,399)	578	(821)	(1,592)
Total funds brought forward		35,547	326	35,873	37,465
Total funds carried forward		34,148	904	35,052	35,873

The statement of financial activities includes all gains and losses recognised in the year.


All income and expenditure derive from continuing activities.

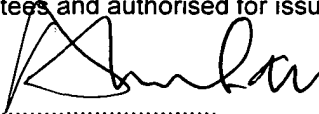
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**BALANCE SHEET****AS AT 31 MARCH 2019**

	Notes	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	13	81	22
Tangible assets	14	29,803	30,146
Investments	15	4,405	5,220
		<u>34,289</u>	<u>35,388</u>
Current assets			
Stocks	16	17	16
Debtors	17	1,444	1,232
Cash at bank and in hand		750	706
		<u>2,211</u>	<u>1,954</u>
Creditors: amounts falling due within one year	18	<u>(1,448)</u>	<u>(1,469)</u>
Net current assets		763	485
Total assets less current liabilities		<u>35,052</u>	<u>35,873</u>
Income funds			
Restricted funds	22	904	326
<u>Unrestricted funds</u>			
Designated funds	23	156	345
Revaluation reserve	24	16,821	17,280
General unrestricted funds		<u>17,171</u>	<u>17,922</u>
		<u>34,148</u>	<u>35,547</u>
		<u>35,052</u>	<u>35,873</u>

The financial statements were approved by the Trustees and authorised for issue on 5th Sept 2019


M Wilson (Chair of Trustees)
Trustee


A Gall (Treasurer)
Trustee

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash absorbed by operations	26		(536)		(834)
Investing activities					
Purchase of intangible assets		(84)		-	
Purchase of tangible fixed assets		(595)		(713)	
Purchase of investments		(962)		(559)	
Proceeds on disposal of investments		2,052		1,639	
Interest received		169		222	
Net cash generated from investing activities			580		589
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			44		(245)
Cash and cash equivalents at beginning of year			706		951
Cash and cash equivalents at end of year			<u>750</u>		<u>706</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Aberdeen Association of Social Service (Operating as VSA) is a private charitable company limited by guarantee incorporated in Scotland (SC018487). The registered office is 38 Castle Street, Aberdeen, AB11 5YU.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties, and in accordance with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going concern

The Senior Management Team and Board believe that preparing the financial statements on the going concern basis is appropriate due to the level of investments held at their disposal and their review of future funding requirements and cash flow projections for at least the next 12 months.

Charitable funds

Unrestricted funds represent funds which are not committed and which can be used in accordance with VSA's charitable objects at the Trustees' discretion. Trustees also have the discretion to set aside part of the unrestricted funds for a particular purpose or commitment. By earmarking such funds in this way trustees are creating a designated fund that remains within unrestricted funds.

Restricted funds represent funds earmarked either by the donor or by the terms of an appeal or legacy where to be expended on particular projects or service area e.g. Older Peoples Service or acquisition of fixed assets. Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with its restrictions.

Incoming resources

Income is recognised in the monthly period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is allocated directly to the relevant category on receipt. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donations and legacies are included when money is receivable and their receipt is probable and the amount receivable can be quantified.

Grants, including government grants, are recognised in the financial statements in the year in which they are receivable.

Investment income is fully apportioned to unrestricted income.

All capital receipts are credited in full to incoming resources in the statement of financial activities (SOFA) in the year of receipt.

All resources are recorded gross.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. This is recognised when there is a legal or constructive obligation to pay for expenditure. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and others are apportioned.

Costs of generating funds comprise those costs directly attributable to organising fundraising events, administering donations and legacies received, and in managing the charity shop and are allocated directly.

Charitable expenditure comprises those costs incurred by the charity in delivering activities and services for its service users. It includes both costs that can be allocated directly to such activities and indirect costs necessary to support them. These support costs are apportioned in ratio to the total overall support costs element.

No grants to individuals or families are made from VSA funds.

Governance costs include costs associated with meeting constitutional and statutory obligations of the charity and include audit and legal fees and costs linked to the strategic management of the charity and are allocated directly as part of support costs.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets represent ICT assets which are not physical in nature, such as software licences and developments costs. Individual and enhanced intangible assets expenditure costing £10,000 or more, are capitalised in the balance sheet at cost.

Amortisation is provided in the year in which the intangible assets are brought into use and is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years
----------	---------

Investment/Mixed use property

Mixed use property is held within tangible fixed assets and is initially measured at cost and subsequently measured at fair value when a reliable measure of fair value is available without undue cost or effort. The undue cost or effort exemption has been taken.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation on the basis of fair value as defined within FRS 102, net of depreciation and any impairment losses.

Individual tangible assets and subsequent enhanced tangible asset expenditure costing £15,000 or more are capitalised in the balance sheet at cost. Land and assets under construction are not depreciated.

Depreciation is provided in the year in which the tangible assets are brought into use and is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10-50 years
Fixtures and fittings	5-10 years
Computers	5 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

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

Stocks

A valuation of farm stocks was carried out at the financial year end. Stocks are stated in accordance with this valuation, which is at the lower of cost or net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

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

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The charity contributes to three pension schemes, The Pensions Trust, Scottish Teachers Superannuation Scheme and National Employment Savings Trust (NEST).

Within the Pensions Trust there is an Ethical Plan and a Flexible Retirement Plan which are both defined contribution schemes. Prior to January 2009 the charity contributed to Growth Plan Series 3 within the Pensions Trust, which was set up as a defined contribution scheme but the Pension Regulator re-assessed the Growth Plan Series 3 scheme as a defined benefit scheme. At 1st October 2013 the charity moved all members of the Growth Plan Series 4 to the Flexible Retirement Plan. The charity intends to continue to operate the Flexible Retirement Plan for all existing members and selected future employees.

Scottish Teachers Superannuation Scheme is a defined benefit scheme, but as VSA's share of the underlying assets and liabilities cannot be identified the contributions to the scheme, as advised by the Scottish Office Pension Agency, are accounted for as if it were a defined contribution scheme and are charged to the income and expenditure account so as to spread the cost of pensions over the period during which the company benefits from the employees' services.

National Employment Savings Trust is a defined contribution scheme which the company will operate for all other employees. The pension costs charged to the income and expenditure account are the contributions payable in the year.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting estimates and judgements

Preparation of the financial statements requires senior management to make some critical judgements and estimates. These judgements and estimates are continually evaluated and are based on historical experiences, advice from qualified professionals and other factors that are believed to be reasonable in the circumstances. The areas where senior management has made critical assumptions and estimates are:

- the going concern concept
- cash flow projections
- allocation of management costs
- depreciation policies
- reserves policies

3 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Donations and gifts	129	243	372	202
Legacies receivable	121	298	419	177
Trust funds	67	176	243	135
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 March 2019	317	717	1,034	514
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 March 2018	464	50		514
	<hr/>	<hr/>		<hr/>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	Children & Family Services £'000	Adult & Older People Services £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2019 £'000	Total 2018 £'000
For the year ended 31 March 2019							
Board charges and free personal care	5,091	5,711	-	-	-	10,802	10,548
Revenue grants	458	1,053	437	-	10	1,958	1,978
Support	-	1,527	-	-	-	1,527	1,564
Training income	-	108	-	78	-	186	142
Other income	98	245	-	54	52	449	573
	<u>5,647</u>	<u>8,644</u>	<u>437</u>	<u>132</u>	<u>62</u>	<u>14,922</u>	<u>14,805</u>
Analysis by fund							
Unrestricted funds	5,211	7,577	92	132	52	13,064	
Restricted funds	436	1,067	345	-	10	1,858	
	<u>5,647</u>	<u>8,644</u>	<u>437</u>	<u>132</u>	<u>62</u>	<u>14,922</u>	
For the year ended 31 March 2018							
Unrestricted funds	5,110	7,388	20	283	67		12,868
Restricted funds	448	1,117	364	-	8		1,937
	<u>5,558</u>	<u>8,505</u>	<u>384</u>	<u>283</u>	<u>75</u>		<u>14,805</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities (Continued)

	Children & Family Services	Adult & Older People Services	Carers Services	Training Income	Other Income	Total 2018
For the year ended 31 March 2018	£'000	£'000	£'000	£'000	£'000	£'000
Board charges and free personal care	5,015	5,533	-	-	-	10,548
Revenue grants	458	1,133	379	-	8	1,978
Support	-	1,564	-	-	-	1,564
Training income	-	-	-	142	-	142
Other income	85	275	5	141	67	573
	<u>5,558</u>	<u>8,505</u>	<u>384</u>	<u>283</u>	<u>75</u>	<u>14,805</u>
Analysis by fund						
Unrestricted funds	5,110	7,388	20	283	67	12,868
Restricted funds	448	1,117	364	-	8	1,937
	<u>5,558</u>	<u>8,505</u>	<u>384</u>	<u>283</u>	<u>75</u>	<u>14,805</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Other trading activities

	2019 £'000	2018 £'000
Fundraising events	165	140
Fundraising bookshop	30	27
	<u> </u>	<u> </u>
Other trading activities	195	167
	<u> </u>	<u> </u>

6 Investments

	2019 £'000	2018 £'000
Income from listed investments	168	221
Interest receivable	1	1
	<u> </u>	<u> </u>
	169	222
	<u> </u>	<u> </u>

7 Raising funds

	2019 £'000	2018 £'000
<u>Fundraising and publicity</u>		
Other fundraising costs	340	293
<u>Trading costs</u>		
Operating charity shops	11	22
<u>Investment management</u>	28	35
	<u> </u>	<u> </u>
	379	350
	<u> </u>	<u> </u>

Expenditure on raising funds in the year amounted to £379,000 (2018: £350,000), all of which related to unrestricted funds.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	Children & Family Services	Adult & Older People Services	Carers Services	Training	Other Resources Expended	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 March 2019							
Staff costs	4,117	5,419	256	294	-	10,086	9,494
Property costs	469	1,518	20	-	228	2,235	2,724
Supplies & services	193	475	21	-	51	740	719
	<u>4,779</u>	<u>7,412</u>	<u>297</u>	<u>294</u>	<u>279</u>	<u>13,061</u>	<u>12,937</u>
Share of support costs (see note 9)	1,082	1,867	53	13	562	3,577	3,683
Share of governance costs (see note 9)	-	-	-	-	399	399	311
	<u>5,861</u>	<u>9,279</u>	<u>350</u>	<u>307</u>	<u>1,240</u>	<u>17,037</u>	<u>16,931</u>
Analysis by fund							
Unrestricted funds	5,366	8,194	-	297	1,180	15,037	
Restricted funds	495	1,085	350	10	60	2,000	
	<u>5,861</u>	<u>9,279</u>	<u>350</u>	<u>307</u>	<u>1,240</u>	<u>17,037</u>	
For the year ended 31 March 2018							
Unrestricted funds	5,427	8,062	-	264	1,166		14,919
Restricted funds	473	1,173	358	-	8		2,012
	<u>5,900</u>	<u>9,235</u>	<u>358</u>	<u>264</u>	<u>1,174</u>		<u>16,931</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities (Continued)

	Children & Family Services	Adult & Older People Services	Carers Services	Training	Other Resources Expended	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 March 2018						
Staff costs	4,015	5,004	226	249	-	9,494
Property costs	619	1,797	32	-	276	2,724
Supplies & services	187	458	21	-	53	719
	<u>4,821</u>	<u>7,259</u>	<u>279</u>	<u>249</u>	<u>329</u>	<u>12,937</u>
Share of support costs	1,079	1,976	79	15	534	3,683
Share of governance costs	-	-	-	-	311	311
	<u>5,900</u>	<u>9,235</u>	<u>358</u>	<u>264</u>	<u>1,174</u>	<u>16,931</u>
Analysis by fund						
Unrestricted funds	5,427	8,062	-	264	1,166	14,919
Restricted funds	473	1,173	358	-	8	2,012
	<u>5,900</u>	<u>9,235</u>	<u>358</u>	<u>264</u>	<u>1,174</u>	<u>16,931</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs £'000	Governance costs £'000	2019 £'000	2018 £'000
Staff costs	-	246	246	249
Management	1,098	-	1,098	1,160
Finance & ICT	653	-	653	691
HR	366	-	366	387
General	340	-	340	352
Property	157	-	157	166
Depreciation / Amortisation	963	-	963	927
Audit fees	-	34	34	25
Internal audit fees	-	30	30	6
Consultancy	-	89	89	31
	<u>3,577</u>	<u>399</u>	<u>3,976</u>	<u>3,994</u>
Analysed between				
Charitable activities	<u>3,577</u>	<u>399</u>	<u>3,976</u>	<u>3,994</u>

Support costs are directly attributed costs which have been charged to the operating cost centres, including governance.

The principal central administration and staffing costs including HR, Finance, H&S, Property, ICT, Key Management Personnel and Quality Assurance are calculated in full. This total cost is then recharged out to all performing locations as follows:-

- Principal Property Costs – recharge use of Principal Office and other owned buildings by estimated area and/or rateable value.
- Insurance – estimated by area/rateable value and by specific area of use
- Grounds & Property Maintenance – allocated by area by specific locations of use.
- Management Recharges – estimated as:-
 - 12.5% recharge on total costs to the City Mental Health St Aubin's Group
 - 10% recharge on all other locations on their respective total costs
 - Balance of recharge is absorbed through prime locations which have high levels of administration, such as Linn Moor, to the full extent of recovering the 100% of the principle costs and is at senior management discretion. This balancing recharge fluctuates on a year by year basis.

Governance costs includes payments to the auditors and their associates of £22,000 (2018: £21,000) for audit fees and £12,000 (2018: £4,000) for other financial services.

10 Trustees

None of the Trustees (or any persons connected with them) were reimbursed any expenses or received any remuneration or benefits from the charity during the year.

The sum of £2,464 (2018: £2,420) was incurred during the year for the purchase of insurance to indemnify the Directors against the consequences of any neglect or defaults.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number employees during the year was 512 (2018: 524).

Employees by full time equivalent:

	2019 Number	2018 Number
Children & family services	146	152
Adult & older people	200	199
Carers services	8	7
Training	7	4
Other	47	41
	<u>408</u>	<u>403</u>

Employment costs

	2019 £'000	2018 £'000
Wages and salaries	10,724	10,251
Social security costs	822	782
Other pension costs	290	235
	<u>11,836</u>	<u>11,268</u>

During the year the charity made redundancy payments totalling £84,555 (2018: £102,606).

The number of employees whose annual remuneration (including employer's national insurance contributions) was £60,000 or more were:

	2019 Number	2018 Number
£60,001 - £70,000	4	6
£70,001 - £80,000	3	3
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
	<u></u>	<u></u>

Seven of the employees (2018: nine) are members of The Pension Trust and contributions amounting to £58,240 (2018: £60,053) were made to their pension scheme during the year. Two of the employees (2018: two) are members of NEST and contributions amounting to £1,212 (2018: £1,206) were made to their pension scheme during the year.

The key management personnel of the charity are defined as the Chief Executive & Company Secretary and the Senior Management Team as detailed in the Trustees' Report. The remuneration of key management personnel in the year amounted to £688,000 (2018: £589,000).

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Net gains/(losses) on investments

	2019	2018
	£'000	£'000
Revaluation of investments	(55)	(369)
Gain/(loss) on sale of investments	330	350
	<u> </u>	<u> </u>
Net gain/(loss) on investment	275	(19)
	<u> </u>	<u> </u>

13 Intangible fixed assets

	Software
	£'000
Cost	
At 1 April 2018	283
Additions - separately acquired	84
	<u> </u>
At 31 March 2019	367
	<u> </u>
Amortisation and impairment	
At 1 April 2018	261
Amortisation charged for the year	25
	<u> </u>
At 31 March 2019	286
	<u> </u>
Carrying amount	
At 31 March 2019	81
	<u> </u>
At 31 March 2018	22
	<u> </u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2019**

14 Tangible fixed assets

	Freehold land and buildings £'000	Assets under construction £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 April 2018	31,170	220	1,475	295	322	33,482
Additions	146	264	95	6	84	595
At 31 March 2019	31,316	484	1,570	301	406	34,077
Depreciation and impairment						
At 1 April 2018	1,640	-	1,299	138	259	3,336
Depreciation charged in the year	776	-	70	51	41	938
At 31 March 2019	2,416	-	1,369	189	300	4,274
Carrying amount						
At 31 March 2019	28,900	484	201	112	106	29,803
At 31 March 2018	29,530	220	176	157	63	30,146

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

14 Tangible fixed assets (Continued)

The freehold heritable properties were independently valued as at 31 March 2017. The properties have been valued using either the Depreciated Replacement Cost (DRC) or Fair Value methodology. The Trustees do not believe there has been any significant change in this valuation during the year.

At 31 March 2019, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £12,601,000 (2018: £12,993,000).

At the year end the charity had committed to £3,711 (2018: £5,530) of capital expenditure, all of which was in respect of land and buildings (2018: all in respect of plant and equipment). See note 29.

15 Fixed asset investments

	Listed investments £'000	Cash in portfolio £'000	Total £'000
Cost or valuation			
At 1 April 2018	4,814	406	5,220
Additions	962	-	962
Valuation changes	(55)	-	(55)
Net movement in cash held awaiting investment	-	(195)	(195)
Disposals	(1,527)	-	(1,527)
At 31 March 2019	4,194	211	4,405
Carrying amount			
At 31 March 2019	4,194	211	4,405
At 31 March 2018	4,814	406	5,220

16 Stocks

	2019 £'000	2018 £'000
Finished goods and goods for resale	17	16

17 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade debtors	1,149	835
Other debtors	40	-
Prepayments and accrued income	255	397
	1,444	1,232

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Creditors: amounts falling due within one year

	Notes	2019 £'000	2018 £'000
Trade creditors		428	363
Other taxation and social security		198	199
Deferred income	20	223	239
Other creditors		33	28
Accruals		566	640
		<u>1,448</u>	<u>1,469</u>

19 Financial instruments

	2019 £'000	2018 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,189	835
Equity instruments measured at fair value through income and expenditure	4,194	4,814
	<u></u>	<u></u>
Carrying amount of financial liabilities		
Measured at amortised cost	984	999
	<u></u>	<u></u>

20 Deferred income

	2019 £'000	2018 £'000
Other deferred income	223	239
	<u></u>	<u></u>

Deferred income is included in the financial statements as follows:

	2019 £'000	2018 £'000
Current liabilities	223	239
	<u></u>	<u></u>

During the year £174,266 (2018: £295,586) of the £239,366 (2018: £308,415) deferred income brought forward from the prior year was released to the Statement of Financial Activities. The remaining £65,100 (2018: £12,829) is included in deferred income at the year end in addition to £157,783 (2018: £226,537) of income received in the year which has also been deferred.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

21 Heritable property

The company owned, at 31 March 2019, the following subjects in Aberdeen, unless otherwise stated:

Name/Description	Location	Main Use
Head Office	Castle Street	Main Registered Office & Book Shop
Cloverfield Grove	Bucksburn	Housing with Care for Older People
Broomhill Park	Broomhill Road	Housing with Care for Older People
Ruthrieston House	Broomhill Road	Residential Care for Older People
Crosby House	May Baird Avenue	Residential Care for Older People
Forestgait (t/a Forest Grove)	Kings Gate	Vacant
Forestgait Lodge/Richmondhill Court	Richmondhill Place	Sheltered Housing & Residential Flats 1-20
Loanhead	Loanhead Terrace	Special Purpose Housing - Flats 1-5, 56
Woodside Activity Centre	Clifton Road	Activity Centre
Broomhill Activity Centre	Broomhill Road	Activity Centre
Richmondhill House	Richmondhill Place	Mother & Baby Unit and Contact Centre
Maisie Munro's	Richmondhill Place	Children's Day Care Centre
Linn Moor School	Peterculter	Residential School
Rowanlea House	Peterculter	Transition to Adult Supported Housing
Rowanlea Cottage (Lyll)	Peterculter	Transition to Adult Supported Housing
Apache Cottage	Peterculter	Residential for Linn Moor School
Millbank House	Hardgate	Supported Accommodation for Adults
Arrdeir House	Mannofield	Supported Accommodation for Adults
St Aubins	South Anderson Drive	Supported Accommodation for Adults
Northfield Lodge	Provost Fraser Drive	Supported Accommodation for Adults
Land	Holburn Street	Vacant plot/Development site
Easter Anguston:		
- Farm Land & Buildings	Peterculter	Supported Adult Training & Visitor Centre Cafe
- Crichton House	Peterculter	Cafe
4 Crown Crescent	Peterculter	Adult Housing with Support
40 Crown Crescent	Peterculter	Adult Housing with Support
1-4 Craigtown Grove	Peterculter	Adult Housing with Support

The freehold heritable properties and land were independently valued as at 31 March 2017 by Graham & Sibbald, Chartered Surveyors, in accordance with RICS appraisal and valuation methodology.

Preliminary costs have been incurred on a new capital project at Abergeldie Road/Holburn Street Aberdeen for the construction of a building to provide residential long term support for adults and older people.

No properties were disposed of during the financial year, although missives were concluded for the sale of Forestgait, Kings Gate on 28 June 2018. The final sale price is dependent on the purchaser obtaining planning approvals.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance at 31. March 2018 £'000
Residents Amenities Fund	54	11	(16)	2	51
Grant Funding	231	1,937	(1,962)	-	206
Restricted Trust Funds	32	-	(11)	(4)	17
Aberdeen District Nurses Benevolent Fund	18	-	(2)	-	16
Crisis Fund	-	23	(1)	2	24
Fuel Fund	16	16	(20)	-	12
	<u>351</u>	<u>1,987</u>	<u>(2,012)</u>	<u>-</u>	<u>326</u>

	Movement in funds				
	Balance at 1 April 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance at 31 March 2019 £'000
Residents Amenities Fund	51	4	(18)	3	40
Grant Funding	206	1,858	(1,958)	-	106
Restricted Trust Funds	17	45	(21)	-	41
Aberdeen District Nurses Benevolent Fund	16	102	(2)	-	116
Crisis Fund	24	13	-	-	37
Fuel Fund	12	4	-	-	16
Abergeldie Fund	-	265	-	-	265
EAF Education Room Fund	-	71	-	-	71
BP Woodland Path Fund	-	17	(1)	-	16
A Watt Fund	-	196	-	-	196
	<u>326</u>	<u>2,575</u>	<u>(2,000)</u>	<u>3</u>	<u>904</u>

Fund Descriptions:

Residents Amenities Fund - to fund outings, entertainment and small gifts for residents

Grant Funding - to cover costs of meeting contract specifications on running and providing services

Restricted Trust Funds - to fund a specific service at a specified location as nominated by the donor

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Restricted funds (Continued)

Aberdeen District Nurses Benevolent Fund - to provide financial and material aid to retired registered nurses

Crisis Fund - for assisting those in urgent financial need due to unforeseen circumstances outwith their control

Fuel Fund - to assist with winter heating bills and heating efficiency systems

Abergeldie Fund - for the construction of a new mental health and wellbeing unit at Abergeldie which is expected to be completed in 2020

EAF Education Room Fund - for the refurbishment of a farm education room to provide learning opportunities for adults and children

BP Woodland Path Fund - for construction path to provide accessibility and safety for children moving across the campus

A Watt Fund - for expenditure on projects at Linn Moor campus to be spent in the 2019/20 financial year

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £'000	Movement in funds		Balance at 31 March 2019 £'000
		Incoming resources £'000	Resources expended £'000	
Minor works property fund	25	300	(242)	83
Health & safety property fund	170	-	(152)	18
Compliance fund	150	-	(149)	1
2020 Celebrations	-	100	(46)	54
	<u>345</u>	<u>400</u>	<u>(589)</u>	<u>156</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Revaluation reserve

Movement in the revaluation reserve, which is included in unrestricted funds, during the year was as follows:

	Balance at 1 April 2017 £'000	Movement in funds		Balance at 31 March 2018 £'000
		Incoming resources £'000	Resources expended £'000	
Revaluation reserve	18,049	-	(769)	17,280
	<u>18,049</u>	<u>-</u>	<u>(769)</u>	<u>17,280</u>

	Balance at 1 April 2018 £'000	Movement in funds		Balance at 31 March 2019 £'000
		Incoming resources £'000	Resources expended £'000	
Revaluation reserve	17,280	-	(459)	16,821
	<u>17,280</u>	<u>-</u>	<u>(459)</u>	<u>16,821</u>

25 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2019 are represented by:			
Intangible fixed assets	81	-	81
Tangible assets	29,803	-	29,803
Investments	4,405	-	4,405
Current assets/(liabilities)	(141)	904	763
	<u>34,148</u>	<u>904</u>	<u>35,052</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

26	Cash generated from operations	2019 £'000	2018 £'000
	Net outgoing resources for the year	(821)	(1,592)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(169)	(222)
	Gain on disposal of investments	(330)	(350)
	Fair value losses on investments	55	369
	Amortisation and impairment of intangible assets	25	12
	Depreciation and impairment of tangible fixed assets	938	915
	Movements in working capital:		
	(Increase) in stocks	(1)	(1)
	(Increase)/decrease in debtors	(212)	265
	(Decrease) in creditors	(5)	(161)
	(Decrease) in deferred income	(16)	(69)
	Cash absorbed by operations	<u>(536)</u>	<u>(834)</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

27 Pension costs

During the year, the charity contributed to three pension schemes for certain employees. The details of these schemes are shown below:

a) The Pensions Trust

The charity participates in the Pensions Trust's Flexible Retirement Plan and Ethical Plan. Both plans are non-contracted out defined contribution schemes which are not affected by the debt on withdrawal legislation. The charity offers membership of the Flexible Retirement Plan or membership of the Ethical Plan to all managerial staff.

There were 51 active members of the Flexible Retirement Plan at 31 March 2019 (2018: 59). There were 8 active members of the Ethical Plan at 31 March 2019 (2018: 11).

The charity paid contributions at a rate of 7.25% during the accounting year. Members paid contributions at the rate of 4% during the accounting year.

A charge of £151,757 (2018: £158,292) has been made in the year. Employer contributions totalling £12,278 (2018: £13,213) were payable to the pension fund at 31 March 2019 and are included in creditors.

b) Scottish Teachers Superannuation Scheme

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities of the scheme. As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates are set by the scheme actuary at a level to meet the cost of the pensions as they accrue.

A revised Scottish Teachers' Pension Scheme (STPS) was introduced from 1st April 2015, which meets the requirements of the UK Government's reform program. For the purposes of the reform process, HM Treasury set a benchmark scheme for the STPS which was based upon the new 2015 Teachers' Pension Scheme for England and Wales. Therefore, by definition, the new Scottish Teachers' Pension Scheme design meets the cost envelope set by HM Treasury without requiring any further detailed actuarial analysis.

There were 4 active members of the scheme as at 31 March 2019 (2018: 3). Contributions rates were payable by the charity at 17.2% (2018: 17.2%) of pensionable salaries. Members also contributed on salary based sliding scale percentage as follows:

Actual Pensionable Salary	Your Contributions for 2018/19 (% of pensionable Salary)
Up to and including £27,697	7.2%
£27,698 to £37,284	8.7%
£37,285 to £44,209	9.7%
£44,210 to £58,590	10.4%
£58,591 to £79,895	11.5%
£78,896 and above	11.9%

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

27 Pension costs (Continued)

The total STSS pension costs for the charity was £16,544 (2018: £20,801) and these contributions were made to their pension scheme during the year.

Employer contributions totalling £1,943 (2018: £2,202) were payable to the pension fund at 31 March 2019 and are included in creditors.

One employee falls within the banding up to £27,697

No employee falls within the banding to £37,284

Three employees fall within the banding to £44,209

No employee falls within the banding to £58,590

No employee falls within the banding to £79,895

No employee falls within the banding over £78,896

c) National Employment Savings Trust

The charity joined the National Employment Savings Trust (NEST) on 1 November 2013. This pension scheme was chosen to comply with automatic enrolment legislation.

NEST is run by NEST Corporation, a trustee body who set the strategic direction and objectives for NEST. NEST Corporation is a non-departmental public body that operates at arm's length from the government and is accountable to Parliament through the Department for Work and Pensions.

All staff below managerial level are automatically enrolled into this scheme. There were 332 active members of NEST at 31 March 2019 (2018: 322).

The charity and members paid contributions at a rate of 2.0% and 2.4% respectively during the accounting year.

A charge of £121,681 (2018: £53,454) has been made in the year. Employer contributions totalling £10,346 (2018: £4,801) were payable to the pension fund at 31 March 2019 and are included in creditors.

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £'000	2018 £'000
Within one year	27	37
Between one and five years	2	12
	<u>29</u>	<u>49</u>

The lease expenditure charged to income and expenditure in the year was £53,000 (2018: £72,000).

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

29 Capital commitments	2019	2018
	£'000	£'000
At 31 March 2019 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of tangible non-current assets	4	6
	<u>4</u>	<u>6</u>

30 Related party transactions

C Campbell, who was a Trustee of the charity from 1 April 2017 to 15 May 2017, is also the Managing Director of Langstane Press Limited. During the prior year the charity purchased printing & stationery supplies amounting to £1,791 from Langstane Press Limited.

31 Members' liability

Members' liability is limited by guarantee not in excess of £1 per member.