

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 2020**



COMPANIES HOUSE

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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) L Fenn H Ouston K Sinclair D Watson S Burt J Knowles A McBurnie A Powe K Shand G Watt P Murray C Wilkie G Poon S Heys
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 First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN
Solicitors	Burness Paull LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ
Investment advisors	Aberdeen Standard Capital 1 George Street Edinburgh EH2 2LL
Internal auditors	Anderson Anderson & Brown LLP Kingswell View Prime Four Business Park Aberdeen AB15 8PU

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The Trustees are pleased to present their report including a strategic report together with the audited financial statements for the year to 31 March 2020.

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:

M Wilson	Chair of Trustees
A Gall	Treasurer
K Begg	(resigned 3 February 2020)
S Burt	
L Fenn	
G Miller	(resigned 31 October 2019)
P Murray	
H Ouston	
K Sinclair	
D Watson	
A McBurnie	
K Shand	
G Watt	
J Knowles	
A Powe	
B Docherty	(appointed 22 August 2019, resigned 5 June 2020)
C Wilkie	(appointed 22 August 2019)
G Poon	(appointed 22 August 2019)
S Heys	(appointed 8 June 2020)

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Key Management Personnel (Executive Management Team) at 31 March 2020

K Simpson	Chief Executive & Company Secretary
J Booth	Deputy Chief Executive
A Corbin	Director of Finance & Procurement
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

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.

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 31 October 2019. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

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

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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.

Trustee Remuneration and Insurances

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.

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

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 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 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).
- Good Governance and the Scottish Governance Code workshop.
- Reviewing the external perspective and wider context within which VSA operates (Bridge to the Future strategic document)

A series of workshops are planned for 2020/2021 to include detailed briefings around Safeguarding and Diversity.

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. In addition, there is 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.

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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 Trustees, to provide a strategic report.

Principal Risks and Uncertainties

COVID-19

In March 2020 we updated our 'Strategic Risk Register' to consider the impact of COVID-19 on our operations. Before the pandemic rapidly took hold, we made a number of swift decisions and implemented a range of operational changes to respond to the pandemic. In early March 2020, the World Health Organisation declared COVID-19 a global pandemic.

Several weeks before the Scottish Government implemented a lockdown, VSA established a COVID-19 response team to closely monitor Scottish Government advice and provide regular guidance and support to employees, residents and the families of the people we care for.

VSA followed the Government advice as it emerged. In addition, we responded to the immediate situation in the following ways:

- Identified areas of increased risk due to COVID-19, investing early in adequate stocks of PPE, increasing the level of staffing to account for the additional pressures and infection control protocols in our homes and implementing additional monitoring and mitigations as appropriate.
- Closed all communal areas in our residential sites and implemented social distancing measures.
- Refused the admission of positive cases of the virus into our homes in order to protect our residents and staff.
- Re-defined cash projections to take account of the expected costs and financing impact of COVID-19. A budget for additional costs was approved in early March.
- Collaborated with Aberdeen's Health and Social Care partnership in terms of providing surge accommodation for non-COVID patients
- Secured government funding for sustainability and job retention support as well as voluntary income specific to COVID-19 related appeals.

During the global pandemic, VSA also took the decision to expedite several business systems and ICT projects to facilitate remote working and to ensure successful implementation of the charity's business continuity plans. Investments were made in remote working, cyber security and digital systems (recruitment, PPE, incident management, fundraising etc).

We continued our good governance by reshaping our Business Plan for the Board to approve. This ensured we had governance in place for continued financial and operational matters. We will use this as a baseline for 2020/21 and revise it with the Board during the year.

Alongside Covid-19, 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 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.

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The Trustees consider that the following framework provides VSA with adequate measures to reduce the impact of identified strategic risks and uncertainty.

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
Risk of infection at VSA establishments potentially leading to loss of life and/or lack of available staff to deliver services.	<ul style="list-style-type: none"> • Highest level of infection control processes in place • Robust risk assessments and contingency plans for suspected cases of infection. • Non acceptance of hospital discharges with positive test results • Adequate provision of PPE and effective guidance for its use. • Contract arrangements with temporary staffing agencies
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 • 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 the 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 organisational compliance and effective management of data subject rights • Implementation of data privacy impact assessment procedures • External assessment review completed

Reports from Services and Key Outcomes

VSA has been delivering services to the citizens of Aberdeen for 150 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 and training services.

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(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.

After School Club/ Holiday Playscheme

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, this financial year has continued to see some services affected by Aberdeen City Council's commissioning arrangements. The Out of School Care services (Playschemes and After School Clubs) which we deliver on behalf of ACC have been part of their strategic review and subsequently have been commissioned through short term contracts. Our commissioned contract to deliver this service came to a natural conclusion on 3 July 2020.

We remain fully committed to supporting vulnerable children and our team is working hard to ensure the voices of these young people and their parents/guardians are heard locally within Aberdeen City Council and nationally at the Scottish Government, with the aim of influencing and shaping future children services provision to help drive better outcomes for children and their families.

Richmondhill House Residential Service

Richmondhill House provided residential parenting assessment for new mothers where the child or children were deemed to be 'at risk'. Our residential service provided parents with an opportunity to undergo assessment in a safe environment, whilst having the opportunity to learn how to care for their baby safely and learn key parenting skills. Due to evolving models of social care, local authorities felt a residential placement was no longer appropriate in today's society and the service ceased providing residential services in the summer of 2019, however, we continue to deliver our Insight service which continues parenting assessment out in the community.

Maisie Munro's Nursery

Maisie's operated as a private childcare nursery since 2011 with the aim of providing prioritised integrated placements for children with additional support or complex learning needs. Over the past two years, however, we experienced a significant decrease in demand in the number of families who required an integrated nursery provision outwith their natural school catchment area; with parents understandably preferring a pre-school nursery place at the school that their child will attend. This led to the Trustees of VSA, in conjunction with the Executive Management Team, re-evaluating the service we provided at Maisie's to ensure that it was aligned with our charitable aims and was financially sustainable long term. Together we concluded that due to the decreasing number of integrated placements, the service provision no longer meets our core charitable aims of supporting vulnerable people and we made the difficult decision to cease operating the service in December 2019. All families were supported by our team to secure alternative childcare arrangements.

Insight Partnership

Our 'Insight' partnership with Aberlour Trust is now in the second year of delivery and has benefitted from a strong interim external evaluation from the Social Value Lab meeting positive outcomes for relating to co-production and meeting needs of local children and families at the edge of care.

***Key Outcomes:** Over the past year the service has contributed to decision making processes for local children at risk by completing 19 community-based parenting assessments. The primary focus for the forthcoming year is to explore funding options with the aim of sustaining the service model and partnership between VSA, Aberlour & ACC.*

School Based Counselling

The specialist Children and Families teams continued to provide school-based counselling for children within three of the city's Associate School Groups.

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***Key Outcomes:** During financial year 19/20, counsellors supported 259 children across 3 sites and provided 1720 individual counselling sessions. Since the start of the COVID-19 pandemic 900 school-based counselling sessions have been delivered virtually to 42 children aged between 8-18.*

Family Contact Centre

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.

Our interim project in partnership with the AHSCP began on the 1st of October 2019 with 4 interim flats at Cloverfield Grove and 1 at Broomhill Park. To date this has been a very successful project with interim clients either being discharged home to their own tenancies following a period of support provided by our team or choosing to remain within the services and take a permanent tenancy with us. Efforts by VSA and the Partnership has already led to significant improvements in reducing delayed discharge. In 2015, the city was the worst-performing area in Scotland – but it is now in the 'top 10' Scottish local authority areas. The project will run until October 2020 and will then be reviewed.

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In November 2019 we were the chosen alternative Provider of 1st Homecare who were withdrawing their provision from Aberdeen City and wanted to transfer their care at home service to a quality provider. This is VSA's first independent care at home service and although relatively small, delivering 127 hours per week support it is acknowledged that there are large amounts of unmet need across the city therefore plenty of scope for expansion.

Key Outcomes: *An average of 400 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. Successful tender for a new care at home service (VSA@Home)*

COVID-19 and our care homes

As early as mid-January 2020, we were actively monitoring the evolving situation regarding the virus with full pandemic planning meetings commencing in February. At VSA, the health and wellbeing (both physical and mental) of the people we care for and our staff is of the utmost priority for VSA. We implemented our enhanced infection prevention and control protocols ahead of Government advice; a conscious decision that we believe saved lives.

Our sites have been undergoing random COVID testing, and we are very pleased to be able to report that, to date, all staff and residents' tests have been negative.

Over the past four months, our team has worked tirelessly to adapt the support and companionship they provide to our residents in their later years to provide additional mental health support and cognitive stimulus to maintain their wellbeing. This included but was not limited to:

- Providing our residents with technology such as iPads and mobile phones, so that they can maintain vital visual contact with a loved one (s) via video calling.
- Introducing a range of socially distanced gentle exercise classes.
- Introducing digital entertainment trolleys so that our residents, for example, can take part in virtual bingo, sing-along sessions, and reminiscence activities.
- Investing in additional staff, so that staff have more dedicated time to spend with each resident on a one-to-one basis to discuss areas of interest, partake in hobbies, help upskill our residents on how to use technology and play card/board games, or help our residents take gentle walks in our grounds.
- Invited well-known Scottish music singer, Fiona Kennedy, to undertake virtual concerts for our residents.
- Art therapy sessions.

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: *During this financial year we saw several clients successfully discharged from our Saint Aubins rehabilitation unit into the community where they are confidently maintaining their own tenancies.*

Services for Individuals with a Learning Disability

VSA continued its commitment in 2019/20 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-centered approach to community care. Tenants are given support to maintain their own tenancies both at Craigton Grove and throughout Aberdeen City.

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In March 2020 we were approached by the Aberdeen City Health and Social Care Partnership and asked if we could provide service provision for 5 adults with Learning Disabilities who required tenancies and a new supported living provider. We were able to support this by offering 5 vacant flats at Forestgait Lodge. The service will be provided under the Craigton Grove registration and the partnership is keen to secure more flats on this site as they become vacant.

Key Outcomes: *A number of collaborative working initiatives were developed with partners including the expansion of Craigton Grove service.*

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.

Training has been suspended during the pandemic but is expected to recommence as soon as it is safe to do so.

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

(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. The residential provision consists of seven self-contained group homes, each accommodating between two and four residents. The campus provides for up to 21 residential/education placements and also offers a number of places for day pupils. In 2019/20, VSA continued 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 individualised timetables, with tasks appropriately challenging to take into account different ability levels and learning styles.

Each young person has 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.

In response to changes in legislation the Campus management team identified a need to further develop Continuing Care opportunities for children with additional support needs and this has been agreed as a strategic development for the site.

Key Outcomes: *A total of 26 young people were supported during the financial year (across the full campus, LM & Rowanlea). 4 Continuing Care placements began on the 1st July 2020.*

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Linn Moor during COVID-19

At VSA the safety of all those within our care is of paramount importance and with that clear focus, the decision was taken to temporarily re-purpose the school building during the pandemic in order to best protect those children and young people with underlying health conditions. Almost overnight the school building was transformed into a separate residential unit for three of our 21 students offering them the best protection possible from the virus at the height of the pandemic. Our teachers and support staff worked tirelessly to deliver educational provision in an innovative manner within the residential units, ensuring their learning opportunities were sustained albeit in an alternative format. Despite the trials posed by the pandemic, the whole campus has risen to the challenge and remains focused on ensuring the best of lives for those being cared for.

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 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 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".*

Rowanlea during COVID-19

During the COVID-19 pandemic, the tenants have had significant changes to their weekly schedules, including being unable to access public transport which is a regular feature in some of their lives. All of the tenants have adapted extremely well and have enjoyed accessing other resources instead, with one of the tenants planting sunflowers and another involved in feeding the birds in the garden every day.

(4) Carers and Supporting People Services

Specialist Day Care and Home Support

VSA provides support to adults' 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.

***Key Outcomes:** 11,670 people directly and indirectly supported at Airyhall Carers Respite Centre*

The Carers Service's 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.

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2019-2020 - Carers Support Services Key Outcomes:

- 4,800 people supported directly and indirectly through our carers Service
- 482 hidden carers identified and supported
- 63 people supported who care for someone with a mental health illness
- 15 people supported who care for someone living with an addiction to drugs or alcohol
- 50 Carers awareness presentations delivered
- 106 Carers events attended and delivered
- 81 Carers mental health counselling sessions provided
- £13,157 distributed in financial support grants from VSA to unpaid Carers

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.

Carer's Support Service during COVID-19

During the COVID-19 pandemic, 1,000 mental wellbeing support calls have been made to unpaid carers and 45 fuel poverty grants have been distributed.

(5) Volunteering

Volunteers are at the heart of VSA. Without the support of individuals, groups, corporate partners and many others who each year generously give their time, we would not be able to provide the vital services and support that we do to thousands of vulnerable people year after year. We recognise the added value that volunteers bring to the organisation and also the need to make the volunteering experience one that benefits the individual volunteer. We aim to enhance their skills, confidence and knowledge. We also continue to widen the scope of opportunities available, with a focus on enabling those who are vulnerable, isolated or have additional support needs to access volunteering as part of their personal development. Regular contact was maintained with volunteers throughout the pandemic to ensure they were kept well informed of developments and to minimize the impacts of social isolation for our most vulnerable volunteers.

Corporate volunteering or micro volunteering continues to be a successful way in which we engage with a wide range of corporate entities. During 2019/20 we experienced a substantial increase in the demand from local and national companies to support VSA through micro-volunteering days.

Whilst VSA are the beneficiaries of the volunteering time and the contribution made to our services and environments, 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.

It also provides the charity with the opportunity to engage and build relationships with the local business community to secure long term corporate partnerships that help us deliver communication and change in society.

Key Outcomes:

- 59 corporate volunteering groups
- 880 corporate volunteers
- 6,160 corporate volunteering hours
 - Based on the real Scottish living wage of £9.30 hr this equates to £57,288 per annum
- 160 individual volunteers
- Over 12,000 individual volunteering hours
 - Based on the real Scottish living wage of £9.30 hr this equates to more than £111,600 per annum

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External Relations

Communications and Marketing

In 2019/20, our communications and marketing department continued to build awareness of the work of VSA with the general public across a wide range of publications (print and digital), outdoor advertising, digital advertising, social media and TV/Radio interviews.

The department started an extensive digitalisation project that includes progression towards a new website, new internal intranet site for staff, and introducing a range of new digital information toolkits to support core service areas and the people who use our services.

During the year, in support and preparation for our 150th anniversary, the department worked with a wide range of stakeholders to design a new special 150th anniversary logo that would represent our rich and diverse heritage across the decades. The new logo has been very well received widely.

The team continued to work in partnership with local newspaper the 'Evening Express' who are supporting our capital fundraising appeal and our wider 150th anniversary plans in 2020/2021.

In addition, a number of public affairs activities were undertaken to build better and stronger relationships with Local Councillors, MSPs and MPs to raise awareness of the work that VSA does to support vulnerable children and adults.

Our work with the Government included:

- Meetings with MPs in Westminster
- Special reception at the Scottish Parliament hosted by MSP Kevin Stewart
- Written correspondence with MPs and MSPs to make them aware of our work and how we change vulnerable people's lives

Key Outcomes:

Social Media – followers based on data at 31 March 2020

Facebook:	10,727 (across two accounts)
Instagram:	989
Twitter:	2,453
Total Number of Followers:	14,169
Number of website visits during the year:	113,434

Fundraising

Each year VSA relies on a diverse funding model that consists of a mix of statutory and voluntary income to deliver the life-changing work that we do. Our aim over the last financial year was to increase our voluntary income to ensure we can reach and support more vulnerable people living across Aberdeen and beyond.

It is with thanks to the support we receive financially through voluntary income that we can give vulnerable people the skills, experiences, opportunities and environments they need to realise their dreams and lead more independent and integrated lives.

During the past twelve months we raised an incredible £1,698k unrestricted and restricted income (this includes income from legacies).

We raised our voluntary income across six core areas:

Corporate Partnerships and Giving	Groups and Associations
Trust and Foundations	Individual Giving
Events	Legacy Giving

Our supporters have gone above and beyond over the past year and we are incredibly humbled and

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grateful to everyone who donated to VSA.

- *In 2019/20 2,000+ people attended a VSA event*
- *1,545 people made a donation to VSA*
- *£557 average individual gift size*
- *159 donations received from Trusts, Foundations, Corporates, Groups and Associations*

Changing Lives Campaign:

We were delighted to officially break ground on our new facility build for mental wellbeing in November 2019. This new 20-bedroom facility, with an associated community-based outreach service, will provide vital support to people living with a range of mental health conditions, empowering them to take control of their lives through our highly-regarded recovery model and specialised mental wellbeing support staff.

Digital Innovation

Over the year we developed new ways to raise money which enhanced our supporter experience. This included:

- Introduction of contactless collection points which allows a donor to tap to donate via their mobile phone or contactless bank card
- Enabled giving through social media platforms to reach a younger demographic
- New donation function on our website
- New ability to create fundraising pages on our website for individual donors or corporate partners to raise money for VSA through their connections

Plans for Future Periods

Despite the exceptional situation of recent months, 2020 is a significant year for VSA. In March 2020, we reached a milestone anniversary of 150 years. This gave us the opportunity to celebrate all that we have achieved over the years and to raise awareness of the work we do, supporting the most vulnerable in our communities.

In 2019 VSA established, under its Bridge to the Future strategy, a clear vision which was endorsed based on feedback from all its key stakeholders. Our vision is rooted in the principle of using our resources effectively and appropriately, to ensure that the people who rely on and use our services can live the best of lives.

Three core objectives had been identified to achieve this:

- 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

In order to secure VSA's long term position as a leading social care provider, the charity took the opportunity to share this vision and to raise awareness of the work we do and the services we deliver. As part of that effort, a number of coordinated workstreams were established to underpin the three core objectives and to drive forward our ambitions for the future.

However, in March 2020, VSA like all organisations across the world was faced with the challenges posed by a global pandemic that would have a significant impact on our plans as the priority swiftly changed to protecting lives: ensuring continued service provision, business continuity and financial sustainability.

In light of these major world events, we have adjusted our strategic workstreams to take into account the impact that this will have on the future plans of the charity and the environment in which we deliver services in the future.

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The updated workstreams are as follows:

1. **Global Pandemic – Response and Recovery** VSA has a history of horizon scanning, looking outwards to changes in society, social care practice and the global economy. This allowed us to make early preparations for the potential spread of a new viral threat. The combination of this forward-thinking approach and the security of our financial position enabled VSA to make precautionary investments in new systems and protective equipment. Therefore, we were able to protect our staff and vulnerable residents throughout the most challenging phases of the pandemic. This approach meant VSA senior managers could move away from 'firefighting' and channel their efforts into developing and implementing a comprehensive pandemic plan which builds on many years of good practice in infection prevention and control. From early weeks VSA was planning for recovery, investing in staff wellbeing, addressing potential changes to our physical assets to accommodate social distancing, maximising the opportunity to recover excess spending by securing government and voluntary income specific to COVID-19 and engaging with stakeholders. We had clear systems for decision making and communication ensuring consistency across the organisation. Our history of partnership working meant we could be influential in supporting local plans. Our efforts now focus on securing the future for VSA while continuing to impact on local and national policy, caring for our current population and protecting the long-term future of independent social care.
2. **Governance.** The final version of the revised memorandum and articles of association was passed by the membership through a special resolution at the 2019 AGM. The Board of Trustees continuously review governance best practice and have utilised the SCVO Code of Good Governance Toolkit. Good Governance will be critical as part of VSA's response and recovery to the pandemic. The charity has adopted new ways of conducting its governance meetings using technology (MS Teams meetings) and ensure the board continues to fulfill their key roles and responsibilities.
3. **Quality and Compliance** The key focus of this workstream is to continuously develop our quality assurance infrastructure, ensuring and demonstrating the delivery of the 'Best of lives' in terms of the provision of care, the physical environment, quality of staffing and safety. As evidenced by inspection reports, our quality assurance and improvement infrastructure is flexible and responsive to changes in regulation, developments in best practice and inspection methodology. Thus, the charity continues to improve and deliver services to the highest possible standards. This workstream underpins our commitment to maintain stakeholder confidence. It provides assurance to the people who need and use our services, and evidences outcomes which protect and promote our reputation. Going forward there will continue to be a significant focus on maintaining the highest possible standards of infection prevention and control across the charity.
4. **Business Development.** As 95% of VSA's income is derived from commissioned contracts, it is imperative that the charity continues to seek out opportunities to sustain our current provision and extend into areas of work where we have skills and expertise. We continue to work in partnership with other organisations to offer innovative and effective care solutions (e.g. Consortium tender for Care at Home Services, interim bed model etc). VSA will ensure it is well placed to influence and respond to any reviews of social care arising out of the pandemic and to consider opportunities arising from this. During the COVID pandemic the organisation has worked very closely with statutory commissioners and other partners leading to the development of new, strong and lasting relationships. We will build on these relationships to support the achievement of the charity's strategic outcomes.
5. **Fundraising.** In addition to securing statutory funding, VSA is able to deliver high quality standards of service because we attract voluntary income through donations, grants, trusts, and legacies. As a result of the global pandemic and the forecasted economic downturn, VSA will look to quickly adopt and review its fundraising model and strategy in line with the changing fundraising landscape. There will be ongoing restrictions relating to public gatherings, global travel and events so our strategy will include looking at new innovative solutions for fundraising (e.g. Digital Fundraising)

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and will place a greater focus on legacy and trust income. VSA is continuing with its changing lives campaign, supporting people in promoting mental wellbeing. This will now incorporate the effects of the pandemic on our communities. The heritage project to celebrate VSA's 150th anniversary will be remodelled to increase digital engagement and the team are working with the Heritage Lottery Fund to support this.

6. **Property Review.** An ongoing programme of review considers not only the physical condition, safety and environment of our buildings, but also 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. A VSA Property Asset Management Plan (PAMP) has been developed and a program of divestment and re-investment is underway. This will now be reviewed, taking into account the current circumstances, to ensure our properties are aligned to the future delivery of services in a way which reflects the impact of the pandemic on physical distancing, ventilation and flexible design. The charity anticipates capital receipts in the next financial year for the properties at Kings Gate and Millbank. The new care home which has been delayed because of COVID is back under construction with a forecasted completion date of Spring 2021, and additional funding has been received post year end for this project. Additional investment in our properties has been made on top of what we already had in place to maximise our infection prevention and control measures and to ensure the safety of staff and service users.
7. **Workforce Development.** It has never been more evident than through the challenges of the pandemic, that our people really are the key to the fulfilment of our strategic vision in keeping the vulnerable people we support safe and enabling them to live the 'best of lives'. VSA will continue to build on the commitment and investment it has made in the workforce by providing all employees and volunteers with the qualifications and training required to meet the requirements of their current and future roles as we enter the post-COVID world. In addition, our wellbeing programme has expanded to support staff, volunteers and carers as they deal with the changes of recent months, thereby securing sustainability and stability in our workforce. VSA will continue to develop the next generation of employees through its modern apprentice scheme, to meet increasing needs in the community and to address potential staffing gaps following Brexit. We will equip staff with the necessary skills so they can display confidence to all our stakeholders in the sustainability and quality of the services we provide. Investment will continue to be made in digital solutions, and other innovative practice, to ensure continued access to development. There will be challenges and opportunities arising out of the combined impact of the Pandemic and Brexit and our manpower planning strategy will be developed to reflect and respond to this.
8. **Business Systems / ICT.** Over the past couple of years, VSA has recognised the critical role ICT and Systems will play in the future success of the charity. As the pace of change resulting from the pandemic increases, we will be ready to adopt and adapt to new practices, using digital solutions, and other innovations, to do things more efficiently and effectively. The charity recognises that there will be a need to review and invest in this area further to ensure it remains fit for purpose for the future. A full review of our Finance, HR and digital case management systems is planned in 2021.
9. **Implementing Improvement (Financial Sustainability).** It is recognised that there will be significant economic and political challenges arising out of the pandemic. VSA like many organisations must maximise efficiency and effectiveness and focus its investment in areas where it will have the greatest impact. This workstream will continue to focus on organisational development and will incorporate improvements arising out of the pandemic to support the delivery of the strategic plan. It will keep strong 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. Work has commenced within the charity to review processes and structures and to align them with the key drivers and strategy.

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Summary

As has been seen in other world events, a global pandemic will have long lasting societal and economic impact. These will affect VSA, our viability, the community in which we offer services and the lives of our staff and volunteers.

VSA recognises the importance of taking the right actions now to minimise and manage the impact of the pandemic. However, we also need to plan for the future, to ensure that our strategy still aligns with the world in which we live, and that we understand all the consequences on our societal, technological, political and legislative environment.

VSA has achieved much over the last 150 years. In that time, we have developed resilience and financial robustness to face the current crisis and take advantage of any opportunities and manage any risks.

We must also prepare to re-establish ourselves as part of our 150th anniversary celebrations, so that we can continue to do whatever we can to provide the best of care to enable the best of lives for all those vulnerable people who need and use our services.

Financial Review

Financial year 2019/20 was the fifth year of adoption of the Accounting Standard FRS 102 and the Charities Statement of Recommended Practice (SORP).

The financial results of the Charity show net expenditure for the year of £668,000 (2019: net expenditure of £821,000) prior to revaluation of tangible fixed assets. This is further analysed as follows:

	£'000
Net Incoming Resources on charitable activities and trusts & endowments (before Depreciation, Minor Works and Health & Safety expenditure met from Designated Funds)	202
Deduct: Depreciation charged to unrestricted funds	(568)
Depreciation charged to revaluation reserve	(388)
Adjust for: Expenditure on Minor Works, Health & Safety initiatives, Compliance Team costs and preparatory costs for 2020 events met from Designated Funds	(123)
Adjust for: Realised/Unrealised Loss on Investments	(170)
Adjust for Loss on Sale of Fixed Asset	(108)
Adjust for: Capital Receipts restricted to offset future capital expenditure	904
Adjust for: Re-organisation costs	(240)
Adjust for: Expenditure on Restricted Reserves	(177)
Net Expenditure	(668)

The sums held as designated funds of £82,500 and £18,500 for minor works and health & safety initiatives respectively were brought forward from the 2018/19 financial year. The programme of spend for both the Minor Works and Health & Safety designated funds was determined on a corporate priority basis. The sums of £82,500 and £18,500 were expended during the financial year leaving £nil designated funds to be carried forward.

A further designated sum of £54,000 was also brought forward from 2018/19 to cover the cost of planning and preparatory works in relation to the 150th anniversary celebrations. A sum of £21,000 was expended in the financial year with the balance of £33,000 carried forward to the 2020/21 financial year.

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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 £146,000 (2019: £330,000), offset by an unrealised loss on the value of investments at 31 March 2020 of £316,000 (2019: £55,000). The entirety of this loss in value was sustained in the last quarter of the financial year as the markets reacted to the impacts of COVID-19.

Capital expenditure incurred during the financial year was £652,000 compared to £679,000 expended in the previous financial year. Capital expenditure was incurred over a range of projects including Easter Anguston farm education room extension (£4,000), Linn Moor asbestos removal/fire proofing (£113,000), Linn Moor Kitchen/Social Area (£25,000), Linn Moor Apache Garage (£15,000) as well as further preparatory costs on the planned new build at Abergeldie Road (£451,000).

Reserves Policy

The charity aims to maintain an 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.

As at 31 March 2020 the actual level of available reserves (investments plus bank balances) was £5,219k. The target level of available reserves, based on 6 months equivalent operational income (excluding legacies and donation income) in 2019/20, was £7,866k. The actual level of reserves fell

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short of this target at 31 March 2020. The Trustees agreed to keep this under close review, whilst noting a large capital receipt from the sale of a surplus property is anticipated to be received during 2020/21 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.

Going concern policy

Although there are significant challenges posed by COVID-19 events and disruption, the Trustees believe, after careful consideration of (1) the level of investments (2) review of future funding requirements and (3) cashflow projections to September 2021, that the Charity has sufficient financial resilience to continue in operational existence for the foreseeable future and has assumed that there will be no changes to the regulatory framework or Government policy that will affect the Charity's viability. The Trustees therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

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 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 was invested primarily to generate annual investment income from dividends of approximately £200,000 per annum. The actual dividend income received in 2019/20 was £134,000. The reduction was a direct result of cash withdrawals made from the fund to meet the capital expenditure programme and expenditure from the designated funds since 2018. 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 (42.5%), FTSE World ex UK Index (22.5%), Cash - LIBID 1 month notice Index (5%). 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 2020 was £3,465k (2019: £4,405k). The main reasons for the decrease in valuation were (1) cash withdrawals of £775k 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 (2) funding the capital investment programme. There was a realised gain on the sale of some investments during the financial year of £146,000 (2019: £330,000), offset by an unrealised loss on the value of investments at 31 March 2020 of £316,000 (2019: £55,000). The entirety of this loss in value was sustained in the last quarter of the financial year as the markets reacted to the impacts of COVID-19.

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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 the Scottish Living Wage or more. 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

A programme of consultation with staff ("A Bridge to the Future") was launched in financial year 2018/19 with a view to gaining 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:

- 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

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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.

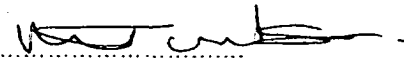
Disability Policy

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: 10 Sept 20

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees, who are also the 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 2020 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 2020 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 25, 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.

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.

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

RSM UK Audit LLP

Kelly Adams 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

9/10/20

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Income from:					
Donations and legacies	3	715	983	1,698	1,034
Charitable activities	4	13,481	1,925	15,406	14,922
Other trading activities	5	192	-	192	195
Investments	6	134	-	134	169
Total income		14,522	2,908	17,430	16,320
Expenditure on:					
Raising funds	7	436	-	436	379
Charitable activities	8	15,230	2,262	17,492	17,037
Total resources expended		15,666	2,262	17,928	17,416
Net gains/(losses) on investments	12	(170)	-	(170)	275
Net (outgoing)/incoming resources before transfers		(1,314)	646	(668)	(821)
Gross transfers between funds		-	-	-	-
Net movement in funds		(1,314)	646	(668)	(821)
Revaluation of tangible fixed assets		3,858	-	3,858	-
Total funds brought forward		34,148	904	35,052	35,873
Total funds carried forward		36,692	1,550	38,242	35,052

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

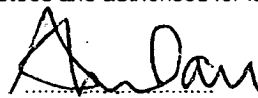
All income and expenditure derive from continuing activities.

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 2020**

	Notes	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	13	56	81
Tangible assets	14	33,077	29,803
Investments	15	3,465	4,405
		36,598	34,289
Current assets			
Stocks	16	11	17
Debtors	17	1,463	1,444
Cash at bank and in hand		1,754	750
		3,228	2,211
Creditors: amounts falling due within one year	18	(1,584)	(1,448)
Net current assets		1,644	763
Total assets less current liabilities		38,242	35,052
Income funds			
Restricted funds	22	1,550	904
Unrestricted funds			
Designated funds	23	33	156
Revaluation reserve	24	19,982	16,821
General unrestricted funds		16,677	17,171
		36,692	34,148
		38,242	35,052

The financial statements were approved by the Trustees and authorised for issue on 10 September 2020

M Wilson (Chair of Trustees)
TrusteeA Gall (Treasurer)
Trustee

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash absorbed by operations	26		555		(536)
Investing activities					
Purchase of intangible assets				(84)	
Purchase of tangible fixed assets		(652)		(595)	
Purchase of investments		(796)		(962)	
Proceeds on disposal of tangible fixed assets		195		-	
Proceeds on disposal of investments		1,568		2,052	
Interest received		134		169	
Net cash generated from investing activities			449		580
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			1,004		44
Cash and cash equivalents at beginning of year			750		706
Cash and cash equivalents at end of year			<u>1,754</u>		<u>750</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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)". 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

Although there are significant challenges posed by COVID-19 events and disruption, the Trustees believe, after careful consideration of (1) the level of investments (2) review of future funding requirements and (3) cashflow projections to September 2021, that the Charity has sufficient financial resilience to continue in operational existence for the foreseeable future and has assumed that there will be no changes to the regulatory framework or Government policy that will affect the Charity's viability. The Trustees therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

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 they have 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 the charity is entitled to the funds, 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 the charity becomes entitled to their receipt or in the year in which receipt is probable and the value can be accurately measured.

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 they become receivable.

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 2020

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
----------	---------

Tangible fixed assets

Tangible fixed assets are initially measured at cost. Freehold land and buildings are subsequently measured at valuation on the basis of fair value as defined within FRS 102, net of depreciation; all other assets continue to be recorded on the basis of historic cost.

Valuations are instructed every three years. Changes in valuation are processed through the revaluation reserve unless they result in a cumulative loss in which case changes are processed through the SOFA in the year of revaluation.

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.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Depreciation is provided in the year in which the tangible assets are brought into use and is recognised in order 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 2020

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 and as a consequence it was renamed as Growth Plan Series 4. 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 2020

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 including cashflow projections
- allocation of management costs
- depreciation and amortisation policies
- reserves policies

3	Donations and legacies	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
	Donations and gifts	228	162	390	372
	Legacies receivable	451	-	451	419
	Trust funds	36	821	857	243
	For the year ended 31 March 2020	<u>715</u>	<u>983</u>	<u>1,698</u>	<u>1,034</u>
	For the year ended 31 March 2019	<u>317</u>	<u>717</u>		<u>1,034</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2020 £'000	Total 2019 £'000
For the year ended 31 March 2020							
Board charges and free personal care	5,077	6,069	-	-	-	11,146	10,802
Revenue grants	526	1,102	381	-	3	2,012	1,958
Support	-	1,609	-	-	-	1,609	1,527
Training income	-	121	-	86	-	207	186
Other income	101	243	-	45	43	432	449
	<u>5,704</u>	<u>9,144</u>	<u>381</u>	<u>131</u>	<u>46</u>	<u>15,406</u>	<u>14,922</u>
Analysis by fund							
Unrestricted funds	5,212	8,056	39	131	43	13,481	
Restricted funds	492	1,088	342	-	3	1,925	
	<u>5,704</u>	<u>9,144</u>	<u>381</u>	<u>131</u>	<u>46</u>	<u>15,406</u>	
For the year ended 31 March 2019							
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>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities (Continued)

	Children & Family £'000	Adult & Older People £'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 2020

5	Other trading activities	2020	2019
		£'000	£'000
	Fundraising events	165	165
	Fundraising bookshop	27	30
	Other trading activities	<u>192</u>	<u>195</u>

All other trading activities were recorded in unrestricted funds in 2020 and 2019.

6	Investments	2020	2019
		£'000	£'000
	Income from listed investments	132	168
	Interest receivable	2	1
		<u>134</u>	<u>169</u>

All investment income was recorded in unrestricted funds in 2020 and 2019.

7	Raising funds	2020	2019
		£'000	£'000
	<u>Fundraising and publicity</u>		
	Other fundraising costs	403	340
	<u>Trading costs</u>		
	Operating charity shops	10	11
	<u>Investment management</u>	23	28
		<u>436</u>	<u>379</u>

Expenditure on raising funds in the year amounted to £436,000 (2019: £379,000), 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 2020

8 Charitable activities

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2020 £'000	Total 2019 £'000
For the year ended 31 March 2020							
Staff costs	4,301	6,110	293	324	-	11,028	10,066
Property costs	453	1,559	39	-	149	2,200	2,235
Supplies & services	205	556	13	-	69	843	740
	<u>4,959</u>	<u>8,225</u>	<u>345</u>	<u>324</u>	<u>218</u>	<u>14,071</u>	<u>13,061</u>
Share of support costs (see note 9)	779	1,684	47	30	524	3,064	3,577
Share of governance costs (see note 9)	-	-	-	-	357	357	399
	<u>5,738</u>	<u>9,909</u>	<u>392</u>	<u>354</u>	<u>1,099</u>	<u>17,492</u>	<u>17,037</u>
Analysis by fund							
Unrestricted funds	5,099	8,671	11	354	1,095	15,230	
Restricted funds	639	1,238	381	-	4	2,262	
	<u>5,738</u>	<u>9,909</u>	<u>392</u>	<u>354</u>	<u>1,099</u>	<u>17,492</u>	
For the year ended 31 March 2019							
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>

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 £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2019 £'000	Total 2018 £'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 2020

9	Support costs	Support costs £'000	Governance costs £'000	Total 2020 £'000	Total 2019 £'000
	Staff costs	-	240	240	246
	Management	885	-	885	1,098
	Finance & ICT	527	-	527	653
	HR	295	-	295	366
	General	274	-	274	340
	Property	127	-	127	157
	Depreciation / Amortisation	956	-	956	963
	Audit fees	-	32	32	34
	Internal audit fees	-	3	3	30
	Consultancy	-	82	82	89
		<u>3,064</u>	<u>357</u>	<u>3,421</u>	<u>3,976</u>
	Analysed between Charitable activities	<u>3,064</u>	<u>357</u>	<u>3,421</u>	<u>3,976</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 principal 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 £28,000 (2019: £22,000) for audit fees and £8,500 (2019: £12,000) 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 (2019: £2,464) was incurred during the year for the purchase of insurance to indemnify the 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 2020

11 Employees

Number of employees

The average monthly number of employees during the year was 491 (2019: 512).

	2020 £'000	2019 £'000
Employees by full time equivalent:		
Children & family services	145	146
Adult & older people	186	200
Carers services	8	8
Training	6	7
Other	52	47
	<u>397</u>	<u>408</u>

Employment costs

Wages and salaries	11,040	10,724
Social security costs	833	822
Other pension costs	371	290
	<u>12,244</u>	<u>11,836</u>

During the year the charity made redundancy payments totalling £277,029 (2019: £84,555).

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

	2020 Number	2019 Number
£60,001 - £70,000	2	4
£70,001 - £80,000	2	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£110,001 - £120,000	2	-

Eight of the employees (2019: seven) are members of The Pension Trust and contributions amounting to £58,102 (2019: £58,240) were made to their pension scheme during the year. One of the employees (2019: two) are members of NEST and contributions amounting to £1,907 (2019: £1,212) were made to their pension scheme during the year.

The Chief Executive received Benefits in Kind during the year equivalent in value to £6,181.

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 £765,000 (2019: £688,000).

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Net gains/(losses) on investments	2020	2019
	£'000	£'000
Revaluation of investments	(316)	(55)
Gain on sale of investments	146	330
Net (loss)/gain on investment	<u>(170)</u>	<u>275</u>
13 Intangible fixed assets		Software
		£'000
Cost		
At 1 April 2019		367
Additions - separately acquired		-
At 31 March 2020		<u>367</u>
Amortisation and impairment		
At 1 April 2019		286
Amortisation charged for the year		25
At 31 March 2020		<u>311</u>
Carrying amount		
At 31 March 2020		<u>56</u>
At 31 March 2019		<u>81</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 2019	31,316	484	1,570	301	406	34,077
Additions	49	564	39	-	-	652
Disposals	(320)	-	-	-	-	(320)
Revaluation	676	-	-	-	-	676
Transfers	208	(206)	-	-	-	-
At 31 March 2020	31,929	840	1,609	301	406	35,085
Depreciation and impairment						
At 1 April 2019	2,416	-	1,369	189	300	4,274
Depreciation charged in the year	781	-	67	47	36	931
Revaluation	(3,182)	-	-	-	-	(3,182)
Disposals	(15)	-	-	-	-	(15)
At 31 March 2020	-	-	1,436	236	336	2,008
Carrying amount						
At 31 March 2020	31,929	840	173	65	70	33,077
At 31 March 2019	28,900	484	201	112	106	29,803

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets (Continued)

The freehold heritable properties were independently valued as at 31 March 2020. The properties have been valued using either the Depreciated Replacement Cost (DRC) or Fair Value methodology.

At 31 March 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £12,182,000 (2019: £12,601,000).

At the year end the charity had committed to £1,788,000 (2019: £3,711) of capital expenditure, all of which was in respect of land and buildings (2019: 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 2019	4,194	211	4,405
Additions	796	-	796
Valuation changes	(316)	-	(316)
Net movement in cash held awaiting investment	-	(19)	(19)
Disposals	(1,401)	-	(1,401)
At 1 April 2020	<u>3,273</u>	<u>192</u>	<u>3,465</u>
Carrying amount			
At 31 March 2020	<u>3,273</u>	<u>192</u>	<u>3,465</u>
At 31 March 2019	<u>4,194</u>	<u>211</u>	<u>4,405</u>

16 Stocks

	2020 £'000	2019 £'000
Finished goods and goods for resale	<u>11</u>	<u>17</u>

17 Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	1,012	1,149
Other debtors	127	40
Prepayments and accrued income	324	255
	<u>1,463</u>	<u>1,444</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18	Creditors: amounts falling due within one year		2020 £'000	2019 £'000
		Notes		
	Trade creditors		525	428
	Other taxation and social security		212	198
	Deferred income	20	82	223
	Other creditors		24	33
	Accruals		741	566
			<u>1,584</u>	<u>1,448</u>
19	Financial instruments		2020 £'000	2019 £'000
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		1,150	1,189
	Equity instruments measured at fair value through income and expenditure		<u>3,274</u>	<u>4,194</u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		<u>1,290</u>	<u>984</u>
20	Deferred income		2020 £'000	2019 £'000
	Other deferred income		<u>82</u>	<u>223</u>
	Deferred income is included in the financial statements as follows:			
	Current liabilities		82	223

During the year £215,557 (2019: £174,266) of the £222,883 (2019: £239,366) deferred income brought forward from the prior year was released to the Statement of Financial Activities. The remaining £7,326 (2019: £65,100) is included in deferred income at the year end in addition to £74,907 (2019: £157,783) 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 2020

21 Heritable property

The company owned, at 31 March 2020, the following subjects in Aberdeen, unless otherwise stated:

Name/Description	Location	Main Use
Head Office	Castle Street	Main Registered Office & Book Shop
Cloverfield Grove	Buckburn	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
Woodside Activity Centre	Clifton Road	Activity Centre
Broomhill Activity Centre	Broomhill Road	Activity Centre
Richmondhill House	Richmondhill Place	Mother & Baby Unit and Contact
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 (Lyall)	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 2020 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.

Loanhead Terrace was 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 2020

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 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	£'000
	£'000	£'000	£'000	£'000	£'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>

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	£'000
	£'000	£'000	£'000	£'000	£'000
Residents Amenities Fund	40	5	(28)	-	17
Grant Funding	106	1,925	(2,012)	-	19
Restricted Trust Funds	41	65	(66)	-	40
Aberdeen District Nurses Benevolent Fund	116	-	(96)	-	20
Crisis Fund	37	1	-	-	38
Fuel Fund	16	2	-	-	18
Abergeldie Fund	265	843	-	-	1,108
EAF Education Room Fund	71	12	(2)	-	81
BP Woodland Path Fund	16	-	(1)	-	15
Restricted Donation	-	5	-	-	5
Linn Moor Minibus Fund	-	50	-	-	50
A Watt Fund	196	-	(57)	-	139
	<u>904</u>	<u>2,908</u>	<u>(2,262)</u>	<u>-</u>	<u>1,550</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 2020

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 2021

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

Restricted Donation – to fund a specific service at a specified location as nominated by the donor

Linn Moor Minibus Fund – for the purchase of a minibus at Linn Moor 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 2019 £'000	Movement in funds		Balance at 31 March 2020 £'000
		Incoming resources £'000	Resources expended £'000	
Minor works property fund	83	-	(83)	-
Health and safety property fund	18	-	(18)	-
Compliance fund	1	-	(1)	-
2020 celebrations	54	-	(21)	33
	<u>156</u>	<u>-</u>	<u>(123)</u>	<u>33</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

24 Revaluation reserve

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

	At 1 April 2018 £'000s	Revaluation £'000s	Release to unrestricted funds £'000s	At 31 March 2019 £'000s
Revaluation reserve	17,280	-	(459)	16,821
	At 1 April 2019 £'000s	Revaluation £'000s	Release to unrestricted funds £'000s	At 31 March 2020 £'000s
Revaluation reserve	16,821	3,858	(697)	19,982

25 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	56	-	56
Tangible assets	33,077	-	33,077
Investments	3,465	-	3,465
Current assets/(liabilities)	94	1,550	1,644
	<u>36,692</u>	<u>1,550</u>	<u>38,242</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

26 Cash generated from operations	2020	2019
	£'000	£'000
Net outgoing resources for the year	(668)	(821)
Adjustments for:		
Investment income recognised in statement of financial activities	(134)	(169)
Gain on disposal of investments	(146)	(330)
Fair value losses on investments	316	55
Amortisation and impairment of intangible assets	25	25
Depreciation and impairment of tangible fixed assets	931	938
Loss on disposal of tangible fixed assets	108	-
Movements in working capital:		
Decrease/(Increase) in stocks	6	(1)
(Increase) in debtors	(19)	(212)
Increase/(Decrease) in creditors	277	(5)
(Decrease) in deferred income	(141)	(16)
Cash generated/(absorbed) by operations	555	(536)

Net debt reconciliation

	At 31 March 2019	Cash flows	Non-cash movements	At 31 March 2020
Cash and cash equivalents	750	1,004	-	1,754
Debt: amounts falling due within 1 year	-	-	-	-
Debt: amounts falling due after 1 year	-	-	-	-
Total net debt	750	1,004	-	1,754

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 45 active members of the Flexible Retirement Plan at 31 March 2020 (2019: 51). There were 7 active members of the Ethical Plan at 31 March 2020 (2019: 8).

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 £142,515 (2019: £151,757) has been made in the year. Employer contributions totalling £11,934 (2019: £12,278) were payable to the pension fund at 31 March 2020 and are included in creditors.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

27 Pension costs (continued)

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 6 active members of the scheme as at 31 March 2020 (2019: 4). Contributions rates were payable by the charity at 23% (2019: 17.2%) of pensionable salaries. Members also contributed on salary based sliding scale percentage as follows:

Actual Pensionable Salary	Contributions for 2019/20 (% 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%

The total STSS pension costs for the charity was £44,326 (2019: £16,544) and these contributions were made to their pension scheme during the year.

Employer contributions totalling £4,516 (2019: £1,943) were payable to the pension fund at 31 March 2020 and are included in creditors.

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 313 active members of NEST at 31 March 2020 (2019: 332).

The charity and members paid contributions at a rate of 4.0% and 5.0% respectively during the accounting year.

A charge of £184,141 (2019: £121,681) has been made in the year. Employer contributions totalling £14,994 (2019: £10,346) were payable to the pension fund at 31 March 2020 and are included in creditors.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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:

	2020 £'000	2019 £'000
Within one year	38	27
Between one and five years	7	2
	<u>45</u>	<u>29</u>

Lease commitments are for buildings and vehicles. The lease expenditure charged to income and expenditure in the year was £62,000 (2019: £53,000).

29 Capital commitments

2020 £'000	2019 £'000
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At 31 March 2020 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of tangible non-current assets

<u>1,788</u>	<u>4</u>
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30 Related party transactions

There are no related party transactions to disclose.

31 Members' liability

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

32 Post balance sheet events

Following the year end and on account of COVID-19 our overall portfolio value reduced but eventually rebounded at the end of the first quarter of the 2020/21 financial year.