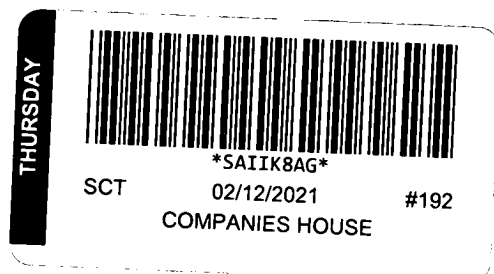


Charity Registration No. SC012950 (Scotland)

Company Registration No. SC018487 (Scotland)

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

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2021**



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

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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Trustees	M Wilson (Chair of Trustees) G Edwards (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 M Gibson
Secretary	K Simpson (Chief Executive)
Charity number (Scotland)	SC012950
Company number	SC018487
Operating name	VSA
Registered office	38 Castle Street Aberdeen AB11 5YU
Auditor	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL
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

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS  
VSA)  
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Page
Trustees' report	4 – 26
Statement of Trustees' responsibilities	27
Independent auditor's report	28 – 30
Statement of financial activities	31
Balance sheet	32
Statement of cash flows	33
Notes to the financial statements	34 – 57

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS  
VSA)  
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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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 2021.

**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 (resigned September 2020)
G Edwards	Treasurer (appointed September 2020)
S Burt	
L Fenn	
P Murray	
H Ouston	
K Sinclair	
D Watson	
A McBurnie	
K Shand	
G Watt	
J Knowles	
A Powe	
B Docherty	(resigned 5 June 2020)
C Wilkie	
G Poon	
S Heys	(appointed 8 June 2020)
M Gibson	(appointed September 2020)

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Key Management Personnel (Executive Management Team) at 31 March 2021**

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 potential Trustees are interviewed by a group of nominated Trustees before being recommended to

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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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 2021/2022 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 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.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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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**

When awareness of a pandemic threat was first discussed, VSA was proactive in reviewing and enacting existing policies and procedures. Our leadership approach and systems of management stood us in good stead in terms of preparing for the pandemic. Our underlying health and safety culture has been a cornerstone of fighting infection. This has included a focus on staff wellbeing and occupational health, and investment in premises and equipment designed to protect the welfare of staff, volunteers and the people who use our services. Our existing protocols for infection control were applied at a variety of levels to minimise risk to staff, service users and visitors. These were constantly reviewed and updated as national infection rates increased and new advice was received from UK government, Scottish government and health bodies.

A history of strong financial planning and control meant that VSA had sufficient cash reserves to be proactive in purchasing stocks of PPE, and in recruiting and deploying additional staff across all our care settings. In this phase, and in anticipation of what might happen, we set aside a contingency to cover the additional costs.

In order to ensure the safety and wellbeing of those we care for, and also for our staff and volunteers, we took a range of actions to protect people against potential infection and to support their mental and emotional health. During 2020/21 VSA:

- Set up a resilience taskforce to ensure a pan-organisational approach to infection control, safety and communications.
- Implemented enhanced infection control measures across all our services.
- Mapped the supply chain for essential resources and equipment, and increased stocks of food, PPE and cleaning materials.
- Enabled remote working and implemented strict policies on isolation, hygiene and social distancing.
- Purchased additional ICT equipment, business systems and software to facilitate remote / home working.
- Ensured the social interaction of all our residents by making significant investment in enhanced technology for communication. This was supported with additional staff, and creative activities, enabling communication with families and loved ones.
- Establish a direct access wellbeing support service for staff and volunteers.

During the pandemic there has been a significant level of UK wide financial support. VSA has been able to access this, putting staff on furlough where appropriate, and making applications for grants. Fundraising has been a challenge, however as a consequence of support from trust funds, grants, government initiatives and other donations, coupled with careful management of the budget, there has been little adverse impact on our overall budget.

VSA is pleased to report that as a consequence of our actions, there has been no outbreak of COVID-19 in any of our care homes. Across the organisation there have been a very small number of isolated infections, however these cases have been contained and have not spread widely amongst staff, nor to those that we support and care for.

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

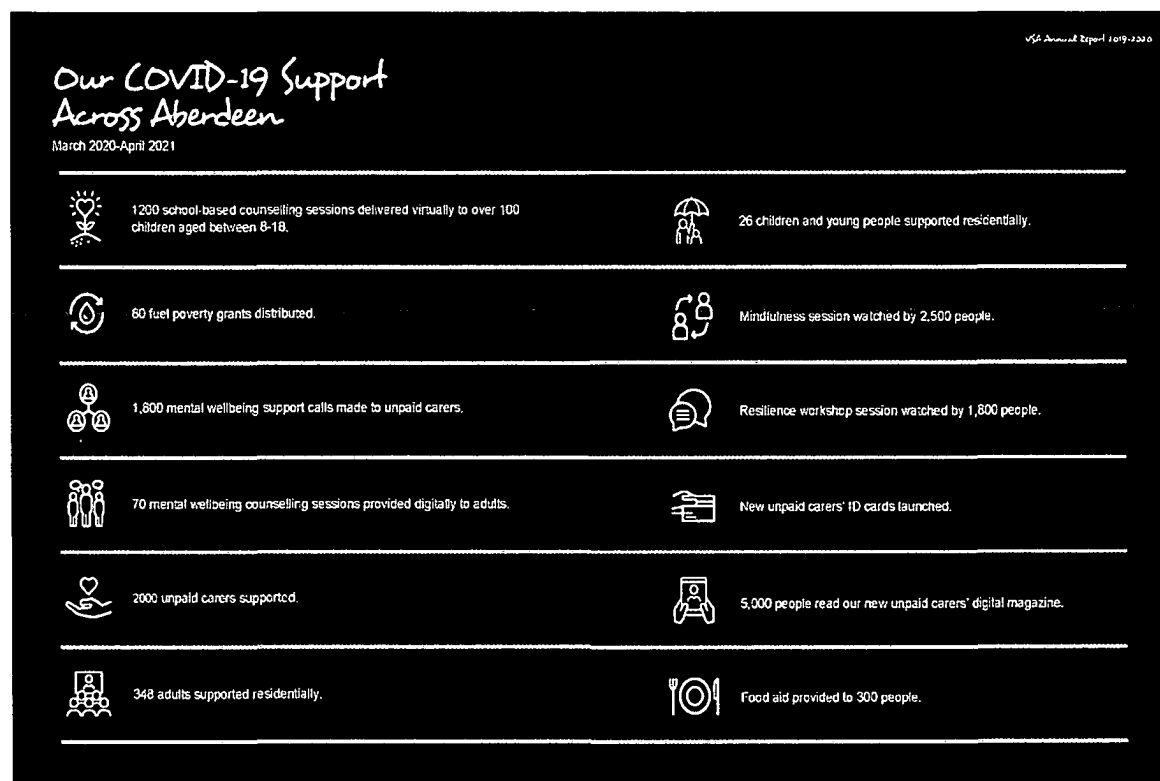
## TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

The UK-wide availability of a range of vaccines has brought optimism, with all our care home residents and the vast majority of our staff having received both doses of the vaccine. This allows us to facilitate safe visiting as rates of infection in the community fall.

Our priority during this recovery phase is to continue protecting the health, safety and wellbeing of all those who deliver, receive and support our services. Wherever possible we have been refurbishing our facilities to reduce the possibility of virus transmission.

### COVID-19 IMPACT STATS



As we continue to receive information about COVID-19, its spread and impact, VSA is enacting our usual management procedures ensuring that we have robust systems of decision making and communication. In the short-term our focus continues to be the protection and support of staff and the protection and care of those who need and use our services. In the longer term, our attention is on ensuring our financial stability and sustainability.

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 and a sound baseline for 2020/21.

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.



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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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.

**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

<b>Principal Risks and Uncertainties</b>	<b>Risk Control Measures</b>
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"> <li>• Highest level of infection control processes in place</li> <li>• Robust risk assessments and contingency plans for suspected cases of infection.</li> <li>• Non acceptance of hospital discharges with positive test results</li> <li>• Adequate provision of PPE and effective guidance for its use.</li> <li>• Contract arrangements with temporary staffing agencies</li> </ul>
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"> <li>• External funding strategy in place</li> <li>• CRM system implemented, including donor relationship management</li> <li>• Regular meetings with local political leaders whilst maintaining a politically neutral stance.</li> <li>• 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.</li> </ul>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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

**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 HR support and training services.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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We support vulnerable children and adults who are living with a mental health diagnosis, complex additional learning and support needs, learning disabilities, addiction (drugs and alcohol), loneliness and isolation, living in extreme poverty and living with life-long conditions such as dementia and Parkinson's. Despite the tremendous challenges that a child or an adult can face, it is amazing to see that by providing proper support, care, experiences, and opportunities how much it can change a life.

Across all of the services we provide, we promote equality, inclusion, diversity, and support for BAME communities.

#### **(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.

##### **Insight Partnership**

In year 2 of operation, the "Insight" partnership responded to the pandemic and provided doorstep, community based support to 7 families across Aberdeen city. This service model allowed us to provide essential supplies to vulnerable children whilst also providing a degree of support and monitoring for social work colleagues.

The scope of the external evaluation was also amended to incorporate the immediate impact of the pandemic on families and the response from the "Insight" service. However, despite a very strong external evaluation, Aberdeen City Council were unable to fund the service beyond the contracted period.

##### **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. The counselling support offered to children and young people has remained in place throughout the pandemic. Through consultation with the children and young people, the counsellors have adapted their approaches and continue to facilitate individual sessions using electronic devices.

**Key Outcomes:** During financial year 20/21 counsellors supported 189 children across 3 sites and provided 1,477 individual sessions. The counseling support was also extended throughout the summer holidays when the staff offered an additional 144 sessions to children within their ASG's

##### **After School Club/ Holiday Playscheme**

After a period of careful consideration, and in partnership with colleagues from ACC, we decided to cease delivery of the playschemes and after school clubs for children with disabilities with effect from 30th June 2020. This decision was taken to allow time for the local authority and 3rd sector partners the opportunity to review service provision and plan necessary adjustments that would take account of managing individual children's needs in a Covid secure environment.

##### **Family Contact Centre**

Whilst our Contact Centre remained closed throughout the pandemic, we used this period as an opportunity to review the service model and future service delivery. A recent change in legislation gives Ministers the power to regulate child contact centres and this has also been the subject of recent consultation. After careful consideration VSA concluded that our service model, which is staffed primarily by volunteers, would be unable to meet potential change in policy and regulatory requirements. A decision was made not to reopen the service and signpost families to another local provider who could meet their individual contact arrangements.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **(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 three main types:

- Services for older adults
- Mental wellbeing services
- Services for individuals with a learning disability

#### **Services for Older Adults**

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.

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. In March 2020 we were again approached by the Partnership and asked if we could support with surge beds due to the COVID Pandemic. We offered up the use of 11 total surge beds. 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 Interim project was initially due to run until October 2020 and this has been extended until March 31<sup>st</sup> 2021. At the time of writing we are unsure if this project will be extended any further. We were informed in late March that AHSCP would not be continuing with the surge beds. These beds will therefore revert to being offered as permanent accommodation.

#### **VSA @ Home**

In November 2019 we were the chosen 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.

In March 2020 the partnership took the decision to recommission the delivery of care at home with a locality based, outcomes focused contract. VSA along with other local providers consisting of fellow charities and private organisations joined forces to submit a joint tender under a consortium – Granite City Consortium (GCC). GCC were successful in being awarded the contract and are now the chosen care at home provider across all localities within Aberdeen City. Our own care at home service VSA @ Home was then transferred in to GCC.

The contract for care at home now covers all client groups regardless of age and diagnosis. We are in a favorable position within the consortium as we have the skills to offer support to all ranges of client groups whilst some of the providers within the consortium only have a focus on older adults. At time of writing this report VSA @ Home are delivering 455 hours per week and this is expected to increase.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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**Key Outcomes:** *we have delivered 1,423,968 hours of support across our older adult services in this period. Our care at home service has delivered 23,660 hours of support to people in their own homes. One tenant at Broomhill Park was discharged into his own tenancy and receives outreach support from our outreach team.*

#### **COVID-19 and our care homes**

We are pleased to report that at time of writing we have had no positive cases of COVID for any residents within any of our care homes.

Our residents continue to be PCR tested every 10 weeks. Staff in care homes are now tested weekly with a PCR test and a further twice weekly using Lateral Flow Tests.

We have kept communication open with our service users families through ZOOM sessions, emails and updates to visiting policies as and when new guidance is issued. Feedback from relatives has been positive with relatives acknowledging the tireless work that has been carried out by frontline staff to keep their loved ones safe.

#### **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. During the 20/21 period we delivered 543,686 hours of support.*

#### **Services for Individuals with a Learning Disability**

VSA continued its commitment in 2020/21 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. Over the past year we have increased the people we support from 12 to 20 and are currently in discussion with the partnership to increase this by a further 4. Despite shutting down of day services due to COVID the team at Craigton have been creative in developing learning opportunities for the people we support who found themselves at home all day.

One senior partnership service manager said *"It was great to see how the staff have supported the clients throughout this difficult time and how creative the staff have been to keep the client safe and busy with activities. So it is a big thank you to the team for all they have done for the clients on my caseload."*

**Key Outcomes:** *A number of collaborative working initiatives were developed with partners including the expansion of Craigton Grove service. During the 20/21 period we delivered 142,376 hours of support*

#### **Easter Anguston Farm**

This is a working farm which continues 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. Throughout the pandemic the farm staff have used the time to undertake maintenance,

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

upgrade facilities and introduce Covid measures in preparation for the return of trainees and re-opening to the public

**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 2020/21, four of the young people transitioned to Continuing Care placements and will benefit from additional support from the education and care staff in readiness for their transition to an adult placement. 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.

**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 1<sup>st</sup> July 2020.*

#### **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

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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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.

#### ***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**

##### **Airyhall**

Airyhall remained operational during the pandemic offering a range of support to people. This support took the form of online groups, individual online meetings, telephone calls and doorstep visits and shopping. When local restrictions allowed, the service remained open providing a very limited, risk assessed service to support carers with more complex caring roles by offering "placements of safety" to the individuals they care for.

Airyhall staff facilitated a total of 630 sessions for individuals from their base within the Airyhall clinic and maintained weekly telephone calls to the carers of 147 registered with the service.

##### **Specialist Day Care and Home Support**

Prior to being recommissioned in October 2021 our carers staff had been operational during the pandemic. The team had very quickly adjusted to offer online support to 862 unpaid carers across the city during the pandemic and, where necessary, undertook doorstep visits to carers by delivering essential supplies. Through grant funding from Shared Care Scotland we distributed financial support grants from VSA to 14,295 unpaid carers

- 862 People supported through our Carers Service
- 128 hidden carers identified and supported
- 37 Carers events delivered
- 57 carers mental health counselling sessions provided
- 42 people supported who care for someone with a mental health illness
- 9 people supported who care for someone living with an addiction to drugs and alcohol

##### **Volunteering**

Our individual volunteering programme and our corporate micro volunteering programmes were both paused in 2020 due to the restrictions implemented as a result of the coronavirus pandemic. The health and wellbeing of our volunteers is of the utmost importance to us and out of an abundance of caution we made the difficult decision to pause our highly sought-after volunteering programmes.

Across the year a small number of individual volunteers continued their volunteering journey with VSA to support our services undertake tasks such as food parcel deliveries and wellbeing calls to vulnerable carers. In addition, we were truly overwhelmed that a number of VSA staff stepped forward to dedicate their personal time to undertake activities with our residents and helped out at our Easter Anguston Farm facility.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

Special thanks go to our team of volunteers at our Mercat Bookshop who have helped across the year in-line with Government retail guidance in helping us be in a position to re-open our bookshop when allowed to the general public.

Our Volunteer Manager, across the year remained in contact with all volunteers, undertaking wellbeing checks and keeping our valued volunteers informed of news from across VSA and latest Scottish Government Guidance.

We are hopeful to be in a position to recommence our full volunteering programmes later in 2021.

### **Communications and Marketing**

In 2020/21, our communications and marketing team played a crucial role in engaging with and keeping all our key stakeholders informed about VSA's pandemic response and associated emergency measures that we had implemented to keep the vulnerable people we support and our employees safe.

During the year, we communicated with a wide range of stakeholders including, service users and their associated relatives/emergency next of kin, employees, volunteers, local and national government, public health and local and national media outlets.

Our work involved keeping all stakeholders informed about changes to our service provision, lobbying the Scottish Government for better support for the sector in relation to COVID-19 funding, PPE supplies, vaccines and tests while advocating for the vulnerable children and adults we care for.

Key activities included:

- Organising and engaging with residents and their associated relatives/key contacts to take part in quarterly virtual feedback and consultation sessions. We performed these sessions throughout 2020/21 to share important information and updates from VSA, encourage peer support between other relatives, answer questions and listen to people's experiences. We did this so we could shape better outcomes for the people we care for and enhance our visitor experiences while ensuring they were aligned with the Scottish Government tier restrictions.
- Keeping our employees informed of our pandemic response and associated infection control advice through daily staff briefings
- Liaising with relatives of the people in our care via the telephone, email and letters to keep them informed and answer any questions they had
- Designing and delivering (in collaboration with our VSA Carers Support Service) virtual carers week events for 2020
- Designed and delivered a range of digital toolkits aimed at helping to build peoples knowledge and personal resilience
- New marketing brochures designed for our services
- Recruitment campaigns
- Market and industry positioning of changes to our service provision

### **Brand Refresh Work**

Work progressed across the year to continue to refresh and evolve our brand. This included designing, developing and launching a new website that would tell our story and demonstrate the impact we make on people's lives. We took the opportunity to re-write all content in a way that tells our story more effectively. Our new website had a soft launch on the 1<sup>st</sup> March 2021 and a full public launch is planned from April 2021.



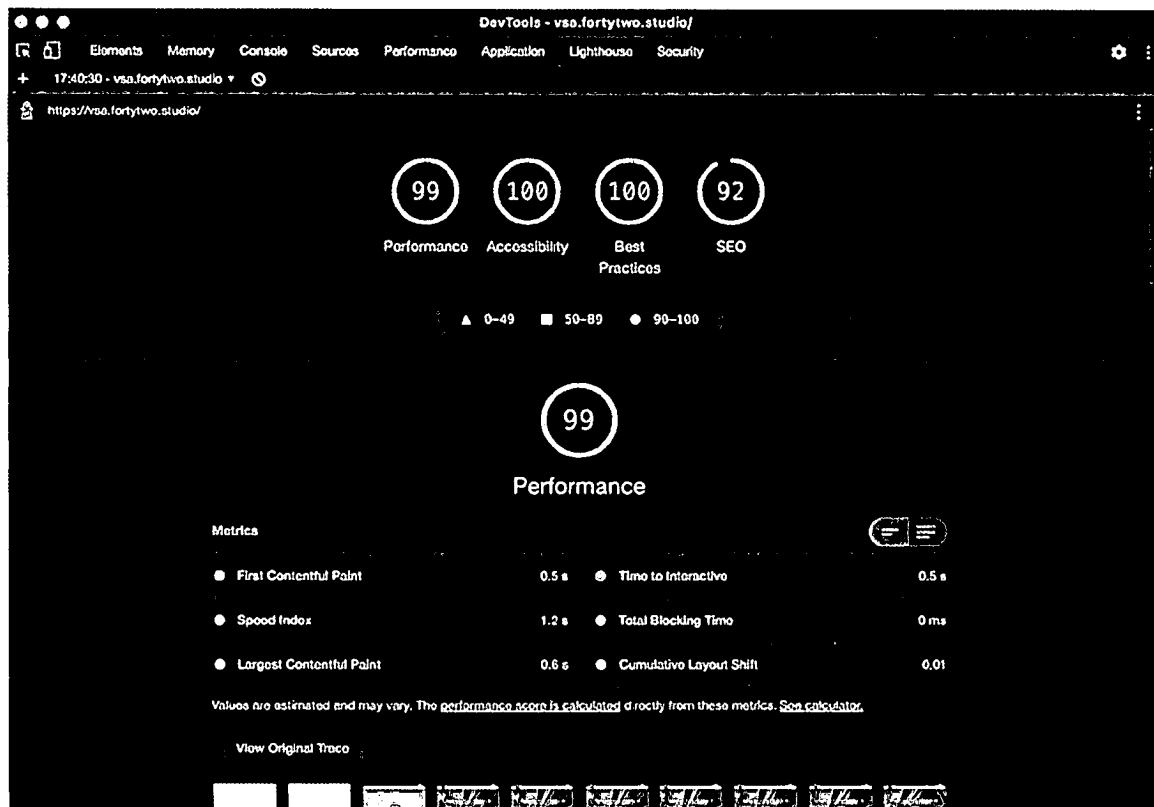
# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

Our website is now fully accessible, interactive, user friendly and digitally more engaging. We worked with our web designers to ensure we continually audited our new site through the design and build phase. For the auditing of the site our web designers used an array of different platforms, however, the main platform we used was the Google Lighthouse Audit; as most of our site traffic is generated from Google's search engine.

We are pleased to report that our new website produced excellent scores during the audit and was a drastic improvement from the scores our old website generated. Work continues by the team to ensure that our SEO score reaches 100%.



Across our social media and digital channels we have seen an increase in supporters and website visits across the year.

Facebook: 11,000 an increase of 3%  
Instagram 1069 an increase of 8%  
Twitter 3140 an increase of 28%  
Total followers – 15,209  
Number of website visits this year: **174,517 increase of 53%**

#### Press Relations

We continue to be grateful for our ongoing in kind media partnership with local newspaper the Evening Express, which is part of the DC Thomson Group. Work continues to develop relationships with wider media outlets across the region and the UK.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Public Affairs**

Across the year we wrote a number of letters to the Scottish and UK Government which were specifically related to COVID-19. We also held virtual meetings with MSPs and worked to influence COVID-19 policy in relation to the health and social care sector through participation in working groups through Scottish Care, COSLA and other industry partners.

#### **Philanthropy and Income Generation**

Our extraordinary work has always depended on our amazing supporters' generosity; every day, the work that we do provides people with an opportunity to make a difference and help shape a life for a better future.

As we journeyed into 2020-21, a pivotal milestone in our organisation's history (our 150<sup>th</sup> anniversary year), no one could have predicted that our year of celebration would mark one of the darkest moments in recent history- a global pandemic that has brought the world as we know it to a halt.

The global Coronavirus pandemic has affected all areas of life and all sections of society. Scientific evidence (which is evolving as our scientists understand and learn more about the virus) indicates that the virus has a more significant detrimental impact on vulnerable people, particularly people living in poverty, people in their later years in life, and people living with complex illnesses or disabilities.

Emerging evidence suggests that the health and economic impact of the virus and its aftermath will be felt for many years if not for decades to come. In the UK, the virus has had a catastrophic impact on our economy. All sectors have been adversely affected and according to the office of National Statistics 693,000 people across the UK have been made redundant, as businesses move from crisis management to shaping their future industry operating model. The impact of this will undoubtedly result in more people living in extreme poverty who will need support.

The impact of the virus means that we must pivot our income generation strategy to ensure that we have a sharper focus with an updated approach that still delivers growth amid a global pandemic and a worldwide economic recession. The future sustainability of VSA relies on us, securing and delivering financial sustainability from non-statutory income.

To respond to this challenge, we started the process across late 2020 to re-shape our fundraising department and terminology used. This involved a change in department name, structure, and roles alongside the implementation of a new global philanthropy strategy. Our traditional methods of 'fundraising' needed to change to reflect the climate and areas of opportunity.

There has never been a more exciting and meaningful time to adjust our future strategy, the world is focused on health and social care, and this provides us with a unique opportunity we can harness to our advantage to secure new UK and international based funding while developing more meaningful multiyear partnerships.

During the year we launched a public COVID-19 appeal, and we were humbled by people's kind generosity and give thanks to everyone who donated or provided gifts in kind such as vital PPE equipment or technology such as iPads.

We continued to develop our partnerships with a number of local, national and global corporate companies, working with them to develop meaningful relationships that deliver real impact that is aligned to their environmental, social and governance goals (ESG).

Key highlights during the year include the team securing a new three-year strategic partnership with a Houston based oil and gas company. The partnership will be announced to the public late spring 2021.

In addition, we were delighted to secure a commercial participation agreement (CPA) with Maersk Training. Maersk are now delivering accredited mental health first aid training and courses for

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

employers and employees across the UK. VSA receive an agreed fixed amount per person for every course participant.

Work continues in securing income towards our capital changing lives campaign, naturally as a result of the pandemic many funders paused their normal funding programmes to solely focus on COVID-19. With the build due to complete summer 2021, the team are looking to re-establish funding towards the campaign and it is hoped that our major fundraising ball which was postponed in 2020 that is scheduled to take place at Balmoral Castle can proceed late 2021 with funds raised going towards the appeal.

Building on our commitment to deliver new innovative digital funding solutions we worked in partnership with a New York based developer to launch a new VSA keyboard app for mobile phones. The app which is available to download from Apple or google play stores offers VSA supporters a new innovative way to support and connect with VSA. Every time a supporter shops online from their mobile phone or tablet, they will be helping to generate funds for VSA while keeping up to date with all of our latest news at their fingertips. With people experiencing less disposable income as a result of the pandemic this is a fantastic way for supporters to raise money for charity without it costing them anything.

VSA is the first charity in the UK to launch this innovative new way of raising funds and a UK wide press launch is planned for spring 2021.

We have also continued to develop our digital engagement methods and have invested in a new digital events platform through our partners Enthuse and have overhauled our fundraising section on our main website.

We recognise that moving forward, the next decade will be incredibly challenging due to the ongoing economic impact and fall out from the coronavirus pandemic. Significant funding challenges lie ahead for the health and social care sector, and the landscape of statutory funding and commissioning is set to shift considerably.

We will continue to strengthen our philanthropy in the face of adversity to ensure we secure a dominant market share of voluntary income across the region, nationally and internationally, compared to our local competitors.

### **HR Learning and Development**

#### **Embracing Technology**

Very rapidly following the initial lockdown across the UK in March of 2020, our team had to respond and ensure that we continued to provide support and a service to our internal Customers.

This required our team to quickly embrace technology, managing the change to working from home and remotely from the wider team. However, the team successfully embraced the technology that VSA had provided to them, with some real successes as follows:-

**Qualifications** - 36 Students have successfully completed their Statutory Qualifications through the VSA, SVQ centre, supported by their assessors using video conferencing to conduct regular monthly support days, with 5 students working through their HNC. There are currently a further 46 Modern Apprentices enrolled through our Centre who we will continue to support in this way whilst restrictions remain in place.

**Recruitment** – 233 new employees have been recruited using our new online recruitment tool and supported by video interviews.

**Induction** – Formerly a three-day course attended at Castle Street, within the space of two weeks we had developed an abridged version focussing on key content for online delivery. 40 Online Inductions have been delivered this year, onboarding all 233 staff using this process, ensuring our services continue to benefit from high quality new staff.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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**Training** – In addition to our existing suite of e-learning modules to support employees in maintaining their knowledge and competence, we have developed a further catalogue of new online learning modules, which have integrated into our Learning Management System. It is key that staff have remained up to date with essential knowledge and skills and that we can evidence current competence if challenged, and we have quickly had to share new information in a concise and enjoyable, learning format. In addition, numerous online training sessions have been delivered via Microsoft Teams, offering our staff access to our team of highly knowledgeable and skilled trainers. Where and when possible, and in line with the strictest hygiene protocols, we have continued to deliver essential face to face training for skills which do not lend themselves to an online option (e.g. First Aid training, Safer People Moving and Handling and BSS)

**Employee Wellbeing** – Supporting continued employee wellbeing during the challenges of the pandemic has been high priority for VSA. Working as a team and tapping into the specialist skills and knowledge of our Occupational Health Nursing advisor, we have continued to provide staff with access to a wide range of wellbeing benefits. Regular bulletins and communications have been issued, offering staff guidance and support and directing them to additional help and assistance during the increased stresses and strains of the pandemic. Providing free and confidential access to trained counsellors, we have helped support the mental wellbeing of our staff, who have faced incredible personal challenge over the year. In addition, and once again embracing technology, 150 Occupational Health Consultations have taken place, supporting employees to actively manage their attendance at work.

Working in partnership with Community Pharmacists, Bairds, we co-ordinated a drive to deliver in service Flu Vaccination Clinics to ensure increased levels of protection for staff and, consequently, service Users. Delivering a programme for the first time to all non front line staff, 60 vaccinations were delivered.

Our HR business partners continue to work closely with our services and their managers, along with the other teams within the directorate, ensuring that as far as possible, we can be proactive in understanding and addressing any staff related matters, supporting our teams to deliver the Best of Care.

#### **Plans for Future Periods**

As the incidence of the virus diminishes it can be expected that a more usual pattern will return, although there will be many more months of disruption, and there may still be phases of restriction and relaxation. Despite a successful vaccination programme, the virus will still be present in the population, so it is essential that infection control and hygiene processes continue to be in place and to be enforced.

During the recovery phase, the focus for VSA will be on ensuring a smooth transition to normal service delivery, re-establishing stakeholder confidence, understanding and recovering from the financial impact, and learning from the pandemic experience through a systematic process of review.

Over the next year our focus will be on:

- Re-establishing contractual arrangements with commissioners to ensure efficient occupancy levels and steady income.
- Managing stock control, reducing any reserves of equipment and restocking where there have been voids.
- Large scale decontamination and cleaning.
- Establishing a programme of repair and maintenance to address backlogs in this area.
- Assessing the financial impact and plan for recovery and the impact on our ongoing stability and sustainability.
- Reviewing fundraising plans and projections.
- Developing positive communications strategies to re-establish relationships with external stakeholders and volunteers.
- Contribute to the national conversation and debate around the review of Adult Health and Social Care commissioning and provision.

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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Every aspect of VSA's service provision and operational support will face challenges. With uncertainty continuing it is hard to make precise predications, however we anticipate the following:

#### **Corporate Resources**

We will continue to centrally source and distribute essential PPE and infection control materials via the administration hub in Castle Street. This will be phased back to the individual services as the supply stabilises, with a back stock of emergency supply held centrally.

The asset and property team will conduct a post pandemic review / update of our Property Asset Management Plan (PAMP) to inform future use and any further modifications required.

Volunteering will focus opportunities on non-frontline positions.

Review our ICT and Business systems infrastructure. We anticipate the need for investment in our infrastructure, and the increased use of assistive technology and digital systems to support our work.

A planned and facilitated 'safe return to the workplace' for office staff who have been working from home during the pandemic.

#### **Fundraising**

There is an acute need for funds from beyond the confines of a limited home geography. As a result of the pandemic, people have less disposable income and some other local charities are reporting a significant drop in voluntary income. Looking forward, we will pivot our strategy to focus on key areas such as philanthropy – both in the UK and internationally – and on trusts, commercial partnerships, digital innovations and corporate partnerships. We anticipate that this will lay the foundations for continued growth at a sustainable rate across our voluntary income.

#### **Finance**

We continue to monitor our financial position on a regular basis as we try to accurately forecast operational movements in cash, as well as Covid 19 related inflows and outflows.

We anticipate that increased infection control protocols and the requirement to wear PPE will exist far into the future. We are therefore already engaged with commissioning bodies to ensure they are fully versed in the values and volumes that will need to be taken into account when calculating contract values and rates in the future.

#### **HR&T**

The coming year will see continued focus on supporting the mental and physical wellbeing of our staff and volunteers, ensuring that VSA remains an employer of choice in a competitive recruitment market. We will build upon increased use of technology in delivering essential training and learning, ensuring our staff are equipped with the skills they need.

#### **Organisational Change and Development**

There will be significant economic and political challenges arising from the pandemic. VSA will continue to maximise efficiency and effectiveness and focus its investment in areas where we can have the greatest impact. We will continue to focus on organisational change and improvement, supporting delivery of the strategic plan. This includes ongoing review of processes and structures ensuring alignment with key drivers and strategy.

#### **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

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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. Over the next year we will reassess our current position in the light of reduced restrictions, evaluate the external environment, and set out how we move forward with the VSA strategy and direction, keeping on track with our mission to deliver the Best of Lives.

#### **Financial Review**

Financial year 2020/21 was the sixth 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 income for the year of £407,000 (2020: net expenditure of £668,000) 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, expenditure met from Designated Funds)	297
Deduct: Depreciation charged to unrestricted funds	(541)
Depreciation charged to revaluation reserve	(457)
Adjust for: Realised/Unrealised Gain on Investments	573
Adjust for: Capital Receipts restricted to offset future capital expenditure	237
Adjust for: Abergeldie Designated Fund	205
Adjust for: 20/20 Celebrations Designated Fund	1
Adjust for: Restricted Fund for Respite @ Home	65
Adjust for: Accrued Legacy	40
Adjust for: Stock MVT	(11)
Adjust for: Expenditure from Restricted Reserves (Amenities)	(3)
<b>Net Income</b>	<b>406</b>

A designated sum of £33,000 was brought forward from 2019/20 to cover the cost of planning and preparatory works in relation to the 150<sup>th</sup> anniversary celebrations. A sum of £nil was expended in the financial year with the balance of £33,000 carried forward to the 2021/22 financial year.

A further designated sum of £205,000 was set up in 2020/21 to cover the build cost of the new mental health facility.

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 £346,000 (2020: £146,000), offset by an unrealised gain on the value of investments at 31 March 2021 of £227,000 (2020: £316,000 loss).

Capital expenditure incurred during the financial year was £1,545,000 compared to £652,000 expended in the previous financial year. Capital expenditure was incurred on Linn Moor Bus (£29,000) as well as further preparatory costs on the planned new build at Abergeldie Road (£1,516,000).

#### **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.

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)  
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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- 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 2020/21 financial year.

- (1) The ongoing impact of COVID-19 on expected inflows and outgoings.
- (2) 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
- (3) The potential for unbudgeted expenditure being incurred which cannot be offset, timeously, by reprioritising other areas of spend.
- (4) Future spending plans on large revenue and capital projects and how they are to be funded.
- (5) Policy on use of designated funds within unrestricted reserves.
- (6) The strength of the fundraising resource and fundraising strategies.
- (7) Assessment of the approach to strategic risk management.
- (8) 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 2021 the actual level of available reserves (investments plus bank balances) was £4,990k. The target level of available reserves, based on 6 months equivalent operational income (excluding legacies donations and COVID related funding) in 2020/21, was £8,293k. The actual level of reserves fell short of this target at 31 March 2021. 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 2021/22 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**

The significant challenges posed by COVID-19 events and disruption are ongoing. However, the Trustees believe, after careful consideration of (1) the level of investments (2) review of future funding requirements and (3) cashflow projections for the next 12 months, 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

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

## **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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. Dividend income received in 2020/21 was £91k (2019/20 £134k). The reduction was a direct result of cash withdrawals made from the fund to meet the capital expenditure programme during the year. The level of risk attached to VSA's 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 2021 was £3,017k (2020: £3,465k). The main reasons for the decrease in valuation were (1) cash withdrawals of £1,000k during the financial year, essentially to help fund the capital investment programme. There was a realised gain on the sale of some investments during the financial year of £346,000 (2020: £146,000), and an unrealised gain on the value of investments at 31 March 2021 of £227,000 (2020: £316,000 loss).

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.



# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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- To develop remuneration and benefits strategies which are budgeted and cost effective to retain key personnel (pensions' entitlements, allowances, holiday entitlements, home working arrangements, flexible working arrangements etc.)

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

#### 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.

#### Sustainability Report

##### Summary of performance

VSA's key sustainability performance indicators are shown below.

<u>Energy Consumption</u>	<u>Consumption (kWh)</u>		<u>Tonnes CO2e</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Gas	3,757,319	5,136,423	704	959
Electricity	1,431,501	2,057,565	334	526
Transport	24,855	59,999	6	14
Total	5,213,675	7,253,987	1,044	1,499

The total emissions for during the financial year was 1,044 CO2e. This amounts to an intensity ratio of 2.59 tonnes CO2e per employee (2020 – 3.80 CO2e) based on full time equivalents employees totalling 403 (2020 - £394).

The following methodologies have been used:

- The GHG Protocol Corporate Accounting and Reporting Standard.
- The 2013 UK Government Environmental Reporting Guidelines (updated March 2019).
- The 2020 UK Government's Conversion Factors for Company Reporting.
- The energy efficiency narrative methodology has been created based on energy management best practice.

#### Carbon Reduction Measures

##### Finance & investment

Over the period the charity has installed further heating controls at the Linn Moor site. There is also a programme of installing LED lighting whenever lighting fails and also to invest in LED fitting out at various sites on an ongoing basis replacing fluorescent and halogen fittings.

##### Business Travel

In an effort to reduce fuel costs and emissions the charity has been encouraging meetings using Microsoft Teams rather than travelling to locations for meetings. Travel was also reduced due to the pandemic and the use of Teams has been really encouraging and should instill a confidence to use this more in the future.

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS  
VSA)  
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Auditor**

The auditors, Hall Morrice 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**  
9 September 2021

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

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021**

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the Trustees are aware:

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

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

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

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### **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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

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

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

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

### **Other information**

The 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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### **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 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**

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

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.

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

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

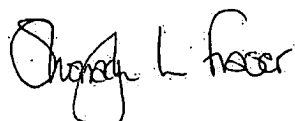
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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.



**Shonagh L. Fraser MA CA**  
**Senior Statutory Auditor**

For and on behalf of Hall Morrice LLP  
Statutory Auditor  
Aberdeen, 9 September 2021

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b><u>Income from:</u></b>					
Donations and legacies	3	594	624	1,218	1,698
Charitable activities	4	14,439	3,328	17,767	15,406
Other trading activities	5	4	-	4	192
Investments	6	92	-	92	134
<b>Total income</b>		<b>15,129</b>	<b>3,952</b>	<b>19,081</b>	<b>17,430</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	235	-	235	436
Charitable activities	8	15,376	3,637	19,013	17,492
<b>Total resources expended</b>		<b>15,611</b>	<b>3,637</b>	<b>19,248</b>	<b>17,928</b>
Net gains/(losses) on investments	12	573	-	573	(170)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>91</b>	<b>315</b>	<b>406</b>	<b>(668)</b>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>91</b>	<b>315</b>	<b>406</b>	<b>(668)</b>
Revaluation of tangible fixed assets		-	-	-	3,858
Total funds brought forward		36,692	1,550	38,242	35,052
<b>Total funds carried forward</b>		<b>36,783</b>	<b>1,865</b>	<b>38,648</b>	<b>38,242</b>

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 2021**

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	13	33	56
Tangible assets	14	33,632	33,077
Investments	15	<u>3,017</u>	<u>3,465</u>
		36,682	36,598
<b>Current assets</b>			
Stocks	16	-	11
Debtors	17	1,654	1,463
Cash at bank and in hand		<u>1,973</u>	<u>1,754</u>
		3,627	3,228
<b>Creditors: amounts falling due within one year</b>	18	<u>(1,661)</u>	<u>(1,584)</u>
Net current assets		1,966	1,644
<b>Net assets</b>		<u>38,648</u>	<u>38,242</u>
<b>Income funds</b>			
Restricted funds	22	1,865	1,550
Unrestricted funds			
Designated funds	23	238	33
Revaluation reserve	24	19,752	19,982
General unrestricted funds		<u>16,793</u>	<u>16,677</u>
		36,783	36,692
		<u>38,648</u>	<u>38,242</u>

The financial statements were approved by the Trustees and authorised for issue on 9 September



**M Wilson (Chair of Trustees)**  
Trustee



**G Edwards (Treasurer)**  
Trustee



**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
<b>Cash flows from operating activities</b>	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Cash generated by operations	26	607	555
<b>Investing activities</b>			
Purchase of intangible assets		-	-
Purchase of tangible fixed assets		(1,545)	(652)
Purchase of investments		(421)	(796)
Proceeds on disposal of tangible fixed assets		19	195
Proceeds on disposal of investments		1,442	1,568
Interest received		92	134
<b>Net cash (used in)/generated from investing activities</b>		(413)	449
<b>Net cash generated from financing activities</b>		25	-
<b>Net increase in cash and cash equivalents</b>		219	1,004
Cash and cash equivalents at beginning of year		1,754	750
<b>Cash and cash equivalents at end of year</b>		<u>1,973</u>	<u>1,754</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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 for the next 12 months, 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 2021**

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**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
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**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 2021**

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**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 2021**

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**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 2021

#### 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 2021 £'000	Total 2020 £'000
Donations and gifts	486	108	594	390
Legacies receivable	43	50	93	451
Trust funds	65	466	531	857
<b>For the year ended 31 March 2021</b>	<b>594</b>	<b>624</b>	<b>1,218</b>	<b>1,698</b>
<b>For the year ended 31 March 2020</b>	<b>715</b>	<b>983</b>		<b>1,698</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

### **4 Charitable activities**

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2021 £'000	Total 2020 £'000
<b>For the year ended 31 March 2021</b>							
Board charges and free personal care	5,408	6,458	-	-	-	11,866	11,146
Revenue grants	598	2,427	243	-	68	3,336	2,012
Support	-	2,062	-	-	-	2,062	1,609
Training income	-	111	-	84	-	195	207
Other income	21	224	-	16	47	308	432
	<u>6,027</u>	<u>11,282</u>	<u>243</u>	<u>100</u>	<u>115</u>	<u>17,767</u>	<u>15,406</u>
<b>Analysis by fund</b>							
Unrestricted funds	5,418	8,855	19	100	47	14,439	
Restricted funds	609	2,427	224	-	68	3,328	
	<u>6,027</u>	<u>11,282</u>	<u>243</u>	<u>100</u>	<u>115</u>	<u>17,767</u>	
<b>For the year ended 31 March 2020</b>							
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>

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

#### **4 Charitable activities (Continued)**

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2020 £'000	Total 2019 £'000
<b>For the year ended 31 March 2020</b>							
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>
<b>Analysis by fund</b>							
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>	
<b>For the year ended 31 March 2019</b>							
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 2021**

<b>5 Other trading activities</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Fundraising events	-	165
Fundraising bookshop	4	27
Other trading activities	<u>4</u>	<u>192</u>

All other trading activities were recorded in unrestricted funds in 2021 and 2020.

<b>6 Investments</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Income from listed investments	91	132
Interest receivable	1	2
	<u>92</u>	<u>134</u>

All investment income was recorded in unrestricted funds in 2021 and 2020.

<b>7 Raising funds</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<u>Fundraising and publicity</u>		
Other fundraising costs	215	403
<u>Trading costs</u>		
Operating charity shops	1	10
<u>Investment management</u>	19	23
	<u>235</u>	<u>436</u>

Expenditure on raising funds in the year amounted to £235,000 (2020: £436,000), 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 2021**

### **8 Charitable activities**

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2021 £'000	Total 2020 £'000
<b>For the year ended 31 March 2021</b>							
Staff costs	3,991	6,549	176	224	-	10,940	11,028
Property costs	376	1,300	16	-	148	1,840	2,200
Supplies & services	363	1,703	15	-	152	2,233	843
	<u>4,730</u>	<u>9,552</u>	<u>207</u>	<u>224</u>	<u>300</u>	<u>15,013</u>	<u>14,071</u>
Share of support costs (see note 9)	1,180	1,887	26	6	587	3,686	3,064
Share of governance costs (see note 9)	-	-	-	-	314	314	357
	<u>5,910</u>	<u>11,439</u>	<u>233</u>	<u>230</u>	<u>1,201</u>	<u>19,013</u>	<u>17,492</u>
<b>Analysis by fund</b>							
Unrestricted funds	5,240	8,784	-	222	1,130	15,376	
Restricted funds	670	2,655	233	8	71	3,637	
	<u>5,910</u>	<u>11,439</u>	<u>233</u>	<u>230</u>	<u>1,201</u>	<u>19,013</u>	
<b>For the year ended 31 March 2020</b>							
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>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8 Charitable activities (Continued)**

	Children & Family	Adult & Older People	Carers Services	Training Income	Other Income	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>For the year ended 31 March 2020</b>							
Staff costs	4,301	6,110	293	324	-	11,028	10,086
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>
<b>Analysis by fund</b>							
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>	
<b>For the year ended 31 March 2019</b>							
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 2021**

<b>9</b>	<b>Support costs</b>	<b>Support costs £'000</b>	<b>Governance costs £'000</b>	<b>Total 2021 £'000</b>	<b>Total 2020 £'000</b>
	Staff costs	-	246	246	240
	Management	1,129	-	1,129	885
	Finance & ICT	672	-	672	527
	HR	376	-	376	295
	General	350	-	350	274
	Property	161	-	161	127
	Depreciation / Amortisation	998	-	998	956
	Audit fees	-	21	21	32
	Internal audit fees	-	-	-	3
	Consultancy	-	47	47	82
		<u>3,686</u>	<u>314</u>	<u>4,000</u>	<u>3,421</u>
	Analysed between				
	Charitable activities	<u>3,686</u>	<u>314</u>	<u>4,000</u>	<u>3,421</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 £21,000 (2020: £28,000) for audit fees and £nil (2020: £8,500) 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 (2020: £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 2021**

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was 443 (2020: 491).

	2021 £'000	2020 £'000
Employees by full time equivalent:		
Children & family services	129	145
Adult & older people	179	186
Carers services	2	8
Training	7	6
Other	43	52
	<u>360</u>	<u>397</u>

**Employment costs**

Wages and salaries	11,540	11,040
Social security costs	888	833
Other pension costs	379	371
	<u>12,807</u>	<u>12,244</u>

During the year the charity made redundancy payments totalling £186,123 (2020: £277,029).

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

	2021 Number	2020 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	3	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	2

Eight of the employees (2020: eight) are members of The Pension Trust and contributions amounting to £60,631 (2020: £58,102) were made to their pension scheme during the year. One of the employees (2020: one) are members of NEST and contributions amounting to £2,040 (2020: £1,907) were made to their pension scheme during the year.

The Chief Executive received Benefits in Kind during the year equivalent in value to £4,691 (2020: £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 £661,000 (2020: £765,000).

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>12 Net gains/(losses) on investments</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Revaluation of investments	227	(316)
Gain on sale of investments	346	146
Net gains/(losses) on investment	<u><b>573</b></u>	<u><b>(170)</b></u>
 <b>13 Intangible fixed assets</b>		<b>Software</b>
		<b>£'000</b>
<b>Cost</b>		
At 1 April 2020		367
Additions - separately acquired		-
At 31 March 2021		<u>367</u>
<b>Amortisation and impairment</b>		
At 1 April 2020		311
Amortisation charged for the year		23
At 31 March 2021		<u>334</u>
<b>Carrying amount</b>		
At 31 March 2021		<u>33</u>
At 31 March 2020		<u>56</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR**  
**THE YEAR ENDED 31 MARCH 2021**

<b>14 Tangible fixed assets</b>	<b>Freehold land and buildings £'000</b>	<b>Assets under construction £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computers £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>						
At 1 April 2020	31,929	840	1,609	301	406	35,085
Additions	-	1,516	-	-	29	1,545
Disposals	-	-	-	-	(74)	(74)
Transfers	103	(103)	-	-	-	-
At 31 March 2021	<u>32,032</u>	<u>2,253</u>	<u>1,609</u>	<u>301</u>	<u>361</u>	<u>36,556</u>
<b>Depreciation and impairment</b>						
At 1 April 2020	-	-	1,436	236	336	2,008
Depreciation charged in the year	843	-	65	31	37	976
Disposals	-	-	-	-	(60)	(60)
At 31 March 2021	<u>843</u>	<u>-</u>	<u>1,501</u>	<u>267</u>	<u>313</u>	<u>2,924</u>
<b>Carrying amount</b>						
At 31 March 2021	<u>31,189</u>	<u>2,253</u>	<u>108</u>	<u>34</u>	<u>48</u>	<u>33,632</u>
At 31 March 2020	<u>31,929</u>	<u>840</u>	<u>173</u>	<u>65</u>	<u>70</u>	<u>33,077</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**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 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £13,289,000 (2020: £12,182,000).

At the year end the charity had committed to £375,340 (2020: £1,788,000) of capital expenditure, all of which was in respect of land and buildings (2020: all in respect of plant and equipment). See note 29.

**15 Fixed asset investments**

	<b>Listed investments £'000</b>	<b>Cash in portfolio £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 April 2020	3,273	192	3,465
Additions	421	-	421
Valuation changes	227	-	227
Net movement in cash held awaiting investment	-	(39)	(39)
Disposals	(1,057)	-	(1,057)
At 1 April 2021	<u>2,864</u>	<u>153</u>	<u>3,017</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>2,864</u>	<u>153</u>	<u>3,017</u>
At 31 March 2020	<u>3,273</u>	<u>192</u>	<u>3,465</u>

**16 Stocks**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Finished goods and goods for resale	<u>-</u>	<u>11</u>

**17 Debtors**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	734	1,012
Other debtors	40	127
Prepayments and accrued income	880	324
	<u>1,654</u>	<u>1,463</u>



**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>18 Creditors: amounts falling due within one year</b>	<b>Notes</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Trade creditors		488	525
Other taxation and social security		214	212
Deferred income	<b>20</b>	292	82
Bank Loans		25	-
Other creditors		38	24
Accruals		604	741
		<u>1,661</u>	<u>1,584</u>

The loan value is part of a one year £1.5m secured facility with the Bank of Scotland which was arranged in order to meet capital expenditure obligations and to bridge the timing of capital related funding inflows. To date, only £25k has been drawn down from the facility. It is not expected that the full facility will be required. The loan is secured against VSA's Richmond Hill House, Maisie Munro's and Forestgait Lodge properties. Interest is accrued at 2.75% above base rate.

<b>19 Financial instruments</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	774	1,150
Equity instruments measured at fair value through income and expenditure	<u>2,864</u>	<u>3,274</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>1,154</u>	<u>1,290</u>

<b>20 Deferred income</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Other deferred income	<u>292</u>	<u>82</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	<u>292</u>	<u>82</u>

During the year £67,610 (2020: £215,557) of the £82,233 (2020: £222,883) deferred income brought forward from the prior year was released to the Statement of Financial Activities. The remaining £14,623 (2020: £7,326) is included in deferred income at the year end in addition to £276,901 (2020: £74,907) 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 2021**

**21 Heritable property**

The company owned, at 31 March 2021, the following subjects in Aberdeen, unless otherwise stated:

<b>Name/Description</b>	<b>Location</b>	<b>Main Use</b>
Head Office	Castle Street	Main Registered Office & Book Shop
Cloverfield Grove	Bucksburn Broomhill	Housing with Care for Older People
Broomhill Park	Road Broomhill Road	Housing with Care for Older People
Ruthrieston House	May Baird Avenue	Residential Care for Older People
Crosby House	Kings Gate	Residential Care for Older People
Forestgait (t/a Forest Grove) Forestgait	Richmondhill Place	Vacant
Lodge/Richmondhill Court		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 (Lyll)	Peterculter	Transition to Adult Supported Housing
Apache Cottage	Peterculter	Residential for Linn Moor School
Millbank House	Hardgate	Supported Accommodation for Adults
Arrdeir House	Mannofield	Supported Accommodation for Adults
St Aubins	South Anderson Drive	Supported Accommodation for Adults
Northfield Lodge	Provost Fraser Drive	Supported Accommodation for Adults
Land	Holburn Street	Vacant plot/Development site
Easter Anguston:		
- Farm Land & Buildings	Peterculter	Supported Adult Training & Visitor Centre Cafe
- Crichton House	Peterculter	Cafe
4 Crown Crescent	Peterculter	Adult Housing with Support
40 Crown Crescent	Peterculter	Adult Housing with Support
1-4 Craigtown Grove	Peterculter	Adult Housing with Support

The freehold heritable properties and land were independently valued as at 31 March 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.

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. This has been delayed by covid but conclusion is expected during FY2021/22.

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

#### **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
	Balance at 1 April 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	31 March 2021 £'000
Residents Amenities Fund	17	-	(17)	-	-
Grant Funding	19	3,328	(3,337)	-	10
Restricted Trust Funds	40	317	(246)	-	111
Aberdeen District Nurses Benevolent Fund	20	-	(1)	-	19
Crisis Fund	38	1	-	-	39
Fuel Fund	18	8	(4)	-	22
Abergeldie Fund	1,108	247	-	-	1,355
EAF Education Room Fund	81	-	(3)	-	78
BP Woodland Path Fund	15	-	(1)	-	14
Restricted Donation	5	-	(5)	-	-
Linn Moor Minibus Fund	50	1	-	-	51
A Watt Fund	139	-	(6)	-	133
M Duncan Fund	-	50	(17)	-	33
	<u>1,550</u>	<u>3,952</u>	<u>(3,637)</u>	<u>-</u>	<u>1,865</u>

	Movement in funds				Balance at
	Balance at 1 April 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	31 March 2020 £'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>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**22      Restricted funds (Continued)**

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 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

M Duncan Fund – for expenditure at Older People's Services

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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:

	<b>Balance at 1 April 2020 £'000</b>	<b>Movement in funds Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Balance at 31 March 2021 £'000</b>
2020 celebrations	33	-	-	33
Abergeldie	-	205	-	205
	<u>33</u>	<u>205</u>	<u>-</u>	<u>238</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**24 Revaluation reserve**

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

	Balance at 1 April 2019 £'000	Movement in funds Revaluation	Release to Unrestricted Funds £'000	Balance at 31 March 2020 £'000
Revaluation reserve	16,821	3,858	(697)	19,982

	Balance at 1 April 2020 £'000	Movement in funds Revaluation	Release to Unrestricted Funds £'000	Balance at 31 March 2021 £'000
Revaluation reserve	19,982	-	(230)	19,752

**25 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2021 are represented by:			
Intangible fixed assets	33	-	33
Tangible assets	33,632	-	33,632
Investments	3,017	-	3,017
Current assets/(liabilities)	101	1,865	1,966
	<u>36,783</u>	<u>1,865</u>	<u>38,648</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>26 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming/(outgoing) resources for the year	406	(668)
Adjustments for:		
Investment income recognised in statement of financial activities	(92)	(134)
Gain on disposal of investments	(346)	(146)
Fair value (gains)/losses on investments	(227)	316
Amortisation and impairment of intangible assets	23	25
Depreciation and impairment of tangible fixed assets	976	931
(Gain)/loss on disposal of tangible fixed assets	(5)	108
Movements in working capital:		
Decrease in stocks	11	6
Increase in debtors	(191)	(19)
(Decrease)/increase in creditors	(158)	277
Increase/(decrease) in deferred income	210	(141)
<b>Cash generated by operations</b>	<b>607</b>	<b>555</b>

**Net debt reconciliation**

	<b>At 31 March 2020</b>	<b>Cash flows</b>	<b>Non-cash movements</b>	<b>At 31 March 2021</b>
Cash and cash equivalents	1,754	219	-	1,973
Debt: amounts falling due within 1 year	-	25	-	25
Debt: amounts falling due after 1 year	-	-	-	-
<b>Total net debt</b>	<b>1,754</b>	<b>244</b>	<b>-</b>	<b>1,998</b>

**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 44 active members of the Flexible Retirement Plan at 31 March 2021 (2020: 45). There were 6 active members of the Ethical Plan at 31 March 2021 (2020: 7).

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 £139,560 (2020: £142,515) has been made in the year. Employer contributions totalling £11,636 (2020: £11,934) were payable to the pension fund at 31 March 2021 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 2021**

**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 5 active members of the scheme as at 31 March 2021 (2020: 6). Contributions rates were payable by the charity at 23% (2020: 23%) of pensionable salaries. Members also contributed on salary based sliding scale percentage as follows:

<b>Actual Pensionable Salary</b>	<b>Contributions for 2020/21 (% of pensionable Salary)</b>
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 £49,145 (2020: £44,326) and these contributions were made to their pension scheme during the year.

Employer contributions totalling £3,658 (2020: £4,516) were payable to the pension fund at 31 March 2021 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 349 active members of NEST at 31 March 2021 (2020: 313).

The charity paid contributions at a rate of 3% and members paid contributions at a rate of 5.0% respectively during the accounting year.

A charge of £190,476 (2020: £184,141) has been made in the year. Employer contributions totalling £16,273 (2020: £14,994) were payable to the pension fund at 31 March 2021 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 2021

#### 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:

	2021 £'000	2020 £'000
Within one year	30	38
Between one and five years	6	7
	<u>36</u>	<u>45</u>

Lease commitments are for buildings and vehicles. The lease expenditure charged to income and expenditure in the year was £70,000 (2020: £62,000).

#### 29 Capital commitments

2021 £'000	2020 £'000
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At 31 March 2021 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:  
Acquisition of tangible non-current assets

<u>375</u>	<u>1,788</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 Investments

Following the year end and on account of COVID-19 our overall portfolio value reduced but eventually rebounded. A sum of £1m was divested during the financial year to assist with capital expenditure commitments associated with the new build facility.