
VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

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VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2015**

Trustees

Mr D Metcalfe, Chair
Ms J C Judson, Vice Chair
Mrs J Stewart (Retired 28 May 2014)
Ms R Harper
Ms G McCreath
Ms S Warren (resigned 5 December 2014)
Mr K Yates
Mr S Laidlaw
Mr N Cole
Ms D Hendry
Mr D Little
Ms J Gaul (appointed 31 March 2015)
Dr A Jennings (appointed 23 October 2014)
Mr C Horne (appointed 5 December 2014)
Mr B Scott (appointed 5 December 2014)

Company registered number

SC106743

Charity registered number

SC013740

Registered office

Jubilee House
Forthside Way
Stirling
FK8 1QZ

Company secretary

George Thomson

Leadership

George Thomson, Chief Executive
Eliane Reid, Assistant Chief Executive (resigned 31 December 2014)
Kenneth Stirratt, Accountant
Lesley Ewington, Head of HR
Adrian Murtagh, Head of Business Development

Independent auditors

French Duncan LLP
Statutory Auditors & Chartered Accountants
Macfarlane Gray House
Castle Craig Business Park
Springbank Road
Stirling
FK7 7WT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2015**

Administrative details (continued)

Bankers

The Royal Bank of Scotland Plc
82 Murray Place
Stirling
FK8 2DR

Solicitors

Law at Work
Kintyre House
205 West George Street
Glasgow
G2 2LW

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Volunteer Development Scotland (the company) for the ended 31 March 2015. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

CONSTITUTION

The company, which is a recognised charity in Scotland, is registered as a charitable company limited by guarantee and not having share capital, incorporated on 17 September 1987. The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1996.

A revision of its Memorandum and Articles of Association was passed through a special resolution on 15 November 1996 and they were revised and adopted with immediate effect.

In the event of the company being wound up, all members, or within one year after they cease to be a member, are liable for the payment of debts and liabilities of the company, and for the costs and expenses of winding up of that date, such amount as required but not exceeding £1.

METHOD OF APPOINTMENT OR ELECTION OF DIRECTORS

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Board of Directors.

The maximum number of Directors shall be 15, of whom a maximum of 10 Directors shall be elected Member Directors and a maximum of 7 directors shall be Appointed Directors, provided that the number of Appointed Directors is always at least one less than the number of Member Directors.

An elected Director shall not be eligible to serve as a Director for a period in excess of six consecutive years and after that time shall vacate office and be ineligible to serve as an elected Director for one year.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

Volunteer Development Scotland Directors annually review the organisation's Standards of Practice for Directors which contains guidance and expected standards on all aspects of good governance. This review is complemented by an assessment of training needs of each Director and an induction pack and programme for new Directors.

Board Directors away days are regularly held, and a programme of Directors workshops precede Board meetings which address Directors training needs and good governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Volunteer Development Scotland (VDS) hold four Board meetings a year and their Annual General meeting will now be held in the last week of September (now changed from 5th December date previously).

Current Board members have a variety of professional backgrounds and skills relevant to the work of the organisation. Also present at Board meetings are the Chief Executive and VDS Leadership team who have no

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

voting rights. The Board is responsible for the approval of strategic direction and also approval of policies of the organisation.

An Audit and Scrutiny Committee meets separately four times a year, with delegated responsibilities from the Board, to ensure that there is due diligence, a consistent framework for performance accountability, financial scrutiny and risk management. All papers are shared with the Board and the Director chair of the Audit and Scrutiny Committee reports directly to the Board on the summary points.

The Leadership Team led by the Chief Executive has been formed, with delegated powers, to make operational and management decisions to ensure the effective day to day running of the organisation. The Leadership team is responsible for ensuring that the organisation delivers on the services specified and that key performance indicators are met. They are also responsible for the engagement of all staff and that the work team continue to develop their skills and working practices in line with best practice

RELATED PARTY RELATIONSHIPS

Volunteer Development Scotland receives funding from the Scottish Government and is accountable for our core activities to that body. Primarily our core funding comes from the Third Sector Unit of Scottish Government, and we receive wider Scottish Government funding including from other Directorates and have delivered accordingly.

Volunteer Services Disclosure Services (VSDS) is a function of Volunteer Development Scotland (Since 2002) and provides free disclosure checks, guidance, advice and support to voluntary sector organisations working with children, young people and adults at risk. This service is funded by Disclosure Scotland on behalf of Scottish Ministers.

As Scotland's national centre in volunteering, Volunteer Development Scotland holds a unique leadership position in developing, enabling, influencing and driving growth in volunteering nationally and internationally.

RISK MANAGEMENT

The Directors have assessed the main risks to the company and are satisfied that systems are in place to mitigate those risks. An annual review of risk register is undertaken and quarterly performance reports continuously assess and manage risks. The Audit and Scrutiny Committee consisting of four Board Directors and senior staff, reviews the risk framework and existing policies within Volunteer Development Scotland to ensure that any risk exposure is minimised and that good practice is maintained. This committee meets prior to Board meetings and additionally as required throughout the year.

Objectives and Activities

VISION, MISSION AND OBJECTIVES

Our Vision:

Helping people and organisations make a difference through volunteering.

Our Mission:

Making it easy for people to volunteer and have a great experience when they do.

Our Objectives:

- Improve the quality of volunteering practice
- Improve access to a diverse range of opportunities for volunteers in Scotland.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

- To create the right conditions for volunteering by providing knowledge, practice resources and innovation
- Recognise the value of volunteers, (based on what volunteers are saying) and the benefit to Scottish Society
- To improve Volunteer Development Scotland's added value, capacity and future sustainability so that volunteers and organisations have access to resources and improved services.

Identity and brand

* To offer Scotland a national resource for volunteering, that includes the VSDS service and research, policy and practice services and products.

* To offer a leadership 'voice' for a radical change in volunteer development that addresses a flat-lining participation rate in formal volunteering.

* To have an identity that is;

- Friendly, co-operative and driven by values for the common good;
- Offers the best access to volunteer opportunities in Scotland, and research and knowledge about volunteering;
- Connects to the needs of volunteers and volunteer engagers with the right resources to make a difference;
- Enables volunteers to have a great experience and contribute to the well being of Scotland;
- An integrated, effective, digital supported working unit with a data culture and modern use of technology and on-line services targeted to audiences.

* Goals for excellence-that we are experienced and talked about (all sectors) as having a high level of quality, customer care, credibility in delivery, and management of risks and resources. That we have internal and external standards of quality that are monitored and evaluated.

Achievements and performance

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern in preparing for financial statements.

Financial review

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Volunteer Development Scotland (VDS) is the national centre for volunteer development, and is recognised locally, nationally and internationally for our work. We have the expertise to drive volunteering activities that brings benefits to many different beneficiaries across communities and the Scottish Government's outcomes.

We have delivered significant organisational efficiencies, generated matched funding, and are ready for an exciting challenge for the future. We will continue to invest in the development and transformation of our organisation, its people and our resources to ensure that VDS remains the expert in Scotland's volunteering landscape. We have and fully expect to continue to deliver a programme of cultural change and a review and re-orientation of all our services, products and resources which will see the volunteer placed at the heart of all that we do. We are focused on evidence of need, and our capacity and readiness to execute activities for clear and measurable outcomes.

Volunteer Development Scotland has delivered on and will continue to deliver various projects within our main programme streams relating to Capacity Building, Sports, Arts and Culture, Health and Wellbeing as well as

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

various Bespoke and Online Services.

VDS has been involved in the successful delivery of supporting volunteers involved in the Glasgow Commonwealth Games and are pursuing the ongoing legacy of this through the ongoing spirit and involvement of the many volunteers who enjoyed their experiences throughout this event, and groundbreaking Demonstration Project.

In addition we will continue to provide a service through our Disclosure Service in Scotland with regards to the compliance of the Protection Of Vulnerable Groups (PVG) legislation and to provide extensive training and guidance to many groups who are required to comply with this.

With a renewed focus on meeting the needs and aspirations of individual volunteers, a clear identity and commitment to our vision, VDS will provide the leadership required to meet our national challenges.

With a pioneering digital platform and engagement strategy and by involving the right people in shaping volunteering in Scotland, VDS are at the leading edge of social transformation in Scotland. Working alongside Government, volunteer involving organisations, the business community, local authorities, individual communities and volunteers themselves, we are pivotal in the creation of a genuinely mutual society that can be self-sustaining.

By working with people of all ages on health and social care, employability, the environment, and community participation we are supporting the Scottish Government's core aims to make our country wealthier and fairer, smarter, healthier, safer, stronger and greener.

Scotland has a history of volunteering, and we can extend the scope of volunteering for the common good. As the national hub of specialist knowledge and support, VDS is strategically placed, with Scottish Government support to lead on maximising the human power of our population to address needs and make a positive difference.

There has never been a more important time for volunteering in Scotland than now. Public sector reform, the necessity for positive citizen engagement, developing communities and coproduction means that volunteering has a key role to play in helping to deliver the country's future agenda.

RESERVES POLICY

The Directors have reviewed their financial responsibilities and have established a policy whereby unrestricted funds not committed or invested in tangible fixed assets (free reserves) held by the company should be in the region of £700,000 - £800,000 which is a flexible target based on business overhead costs and should be equivalent to around 3 - 4 months cover. At this level the directors feel that they would be able to continue the current activities of the company in the event of a significant drop in funding, whilst also covering other identified contingencies and potential property costs. At present free reserves amount to £821,083 and will be subject to policy review during 2015-16.

PRINCIPAL FUNDING

Volunteer Development Scotland recognises the financial stability it enjoys due to the grant funding received by our key funders the Scottish Government through our core funding and also Disclosure Scotland for funding our disclosure services. In addition we continued to work with SG Health Directorate and also secured a specific piece of work with SG Third Sector Division on the Volunteer Games Legacy project. This backbone of grant funding allows VDS to diversify and explore other areas of income generation to which the Board and leadership team are fully committed to secure. Through 2014-15 we have successfully achieved contracts with the most significant being Spirit of 2012 (Commonwealth Games) as well as Skills Development Scotland, Zero Waste Scotland, The Big Lottery Fund as well as European funding under the Lifelong Learning Programme.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

INVESTMENT POWERS

A To invest funds not immediately required for the purpose of its activities in such investments and that in such manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities.

B The company shall have the power to purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activity of the company.

C To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.

D To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other person.

Plans for the future

FUTURE DEVELOPMENTS

Looking ahead Volunteer Development Scotland will be playing a national leadership role in the Scottish Government's aim to create a volunteer Games legacy for Scotland. The case for change has been well articulated in a major Games legacy demonstration project and the shape of change and actions required are being shared in a national conversation. This will animate and activate a response to the challenge to place the volunteer and individual motivations at the heart of increasing volunteer participation and make a major contribution to well being in the country.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Volunteer Development Scotland for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, French Duncan LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on *22 September 2015* and signed on their behalf by:

Mr G Thomson
Secretary



VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF VOLUNTEER
DEVELOPMENT SCOTLAND LIMITED**

We have audited the financial statements of Volunteer Development Scotland Limited for the year ended 31 March 2015 set out on pages 11 to 28. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF VOLUNTEER
DEVELOPMENT SCOTLAND LIMITED**

OPINION ON FINANCIAL STATEMENTS

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 2015 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 applicable to Smaller Entities; 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Trustees' report.



Ellen Waters BA CA (Senior Statutory Auditor)

for and on behalf of

French Duncan LLP

Statutory Auditors & Chartered Accountants

Macfarlane Gray House
Castle Craig Business Park
Springbank Road
Stirling

FK7 7WT

Date: 22nd September 2015

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2015

		Unrestricted Funds 2015	Restricted Funds 2015	2015 Total funds	2014 Total funds
	Note	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	800,000	-	800,000	800,000
Investment income	3	10,282	-	10,282	13,471
Incoming resources from charitable activities:	4				
Health		-	-	-	38,000
Core		-	-	-	58,567
VS Disclosure Services		734,640	-	734,640	733,012
Projects including Scottish Government		120,670	950,079	1,070,749	350,306
TOTAL INCOMING RESOURCES		1,665,592	950,079	2,615,671	1,993,356
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	5	158,624	-	158,624	166,958
Charitable activities:	6				
Health		1,367	54,153	55,520	39,588
Core		485,727	25,469	511,196	776,866
VS Disclosure Services		718,941	8,556	727,497	728,735
Projects including Scottish Government		139,575	931,275	1,070,850	472,119
Governance costs:	7				
Core		33,912	-	33,912	34,983
VS Disclosure Services		4,417	-	4,417	6,160
TOTAL RESOURCES EXPENDED		1,542,563	1,019,453	2,562,016	2,225,408
NET INCOMING RESOURCES/ (RESOURCES EXPENDED) BEFORE TRANSFERS		123,029	(69,374)	53,655	(232,052)
Transfer between Funds	18	18,804	(18,804)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		141,833	(88,178)	53,655	(232,052)
Total Funds at 1 April 2014		1,465,125	99,658	1,564,783	1,796,835
TOTAL FUNDS AT 31 MARCH 2015		<u>1,606,958</u>	<u>11,480</u>	<u>1,618,438</u>	<u>1,564,783</u>

The notes on pages 13 to 28 form part of these financial statements.

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REGISTERED NUMBER: SC106743

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	12		1,831,348		1,846,903
CURRENT ASSETS					
Debtors	13	53,384		77,858	
Cash at bank and in hand		916,349		862,915	
		<u>969,733</u>		<u>940,773</u>	
CREDITORS: amounts falling due within one year	14	(182,170)		(175,713)	
NET CURRENT ASSETS			787,563		765,060
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,618,911</u>		<u>2,611,963</u>
CREDITORS: amounts falling due after more than one year	15		(1,000,473)		(1,047,180)
NET ASSETS			<u>1,618,438</u>		<u>1,564,783</u>
CHARITY FUNDS					
Restricted funds	18		11,480		99,658
Unrestricted funds	18		1,606,958		1,465,125
TOTAL FUNDS			<u>1,618,438</u>		<u>1,564,783</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on *22 September 2015* and signed on their behalf, by:

Mr D Metcalfe
Trustee

David Metcalfe

The notes on pages 13 to 28 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Allocation and apportionment of costs

Costs of generating funds comprise the costs associated with the administration and development of the generated funds. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. All costs are allocated between the expenditure categories of the statement of financial activity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

1.6 Cash flow

The financial statements do not include a Cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Straight line over 125 years
Computer equipment	-	100% on cost

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

The charity is a participating member in the Pension Trust's Growth Plan Scheme Series 3, which is a defined benefit scheme in nature for some employees. The assets of the scheme are held separately from those of the charity. Contributions are charged to the Statement of Financial Activities as incurred.

The charity is also a participating member in the Pension Trust Growth Plan Series 4. This scheme is a defined contribution arrangement. The assets of this scheme are held separately from those of the charity. Contributions paid to this scheme are charged to the Statement of Financial Activities as incurred.

Employees who are not members of the Pension Trust Growth Plans, have in the past, made their own pension arrangements with personal pension schemes chosen individually by the employee. All such schemes are money purchases. However, since auto-enrolment staging date on 1 November 2014 we have closed any enrolment to any personal pension schemes and new employees since that date will be enrolled through The Pensions Trust. Contributions are charged to the Statement of Financial Activities as incurred.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Grants	800,000	-	800,000	800,000

Grants received, included in the above, are as follows:

	2015 £	2014 £
Core funding	800,000	800,000

3. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	10,282	-	10,282	13,471

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4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Health	-	-	-	38,000
Core	-	-	-	58,567
VS Disclosure Services	734,640	-	734,640	733,012
Projects including Scottish Government	120,670	950,079	1,070,749	350,306
	<u>855,310</u>	<u>950,079</u>	<u>1,805,389</u>	<u>1,179,885</u>
	VSDS £	Projects inc SG £	2015 £	2014 £
Grants	734,640	602,114	1,336,754	921,145
Other income	-	51,929	51,929	64,264
Contracts	-	347,965	347,965	144,139
Rent and room hire	-	68,741	68,741	50,337
Total	<u>734,640</u>	<u>1,070,749</u>	<u>1,805,389</u>	<u>1,179,885</u>

Grants received, included in the above, are as follows:

	2015 £	2014 £
VS Disclosure Services	734,640	732,973
Big lottery fund	487,714	134,472
Department of health	-	38,000
Scottish Government - 3rd Specific/VBAY	-	10,000
Business Gateway	-	5,700
Volunteer games legacy	114,400	-
Total	<u>1,336,754</u>	<u>921,145</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Voluntary income staff costs	<u>158,624</u>	<u>-</u>	<u>158,624</u>	<u>166,958</u>

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6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Health	1,367	54,153	55,520	39,588
Core	485,727	25,469	511,196	776,867
VS Disclosure Services	718,941	8,556	727,497	728,734
Projects including Scottish Government	139,575	931,275	1,070,850	472,118
	<u>1,345,610</u>	<u>1,019,453</u>	<u>2,365,063</u>	<u>2,017,307</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Health	44,534	-	10,986	55,520	39,588
Core	410,937	15,555	84,704	511,196	776,867
VS Disclosure Services	469,393	-	258,104	727,497	728,734
Projects including Scottish Government	353,883	-	716,967	1,070,850	472,118
	<u>1,278,747</u>	<u>15,555</u>	<u>1,070,761</u>	<u>2,365,063</u>	<u>2,017,307</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors remuneration - VSDS	4,417	-	4,417	6,160
Auditors remuneration - Core	4,823	-	4,823	3,371
Wages and salaries - Core	25,547	-	25,547	27,793
NI - Core	3,004	-	3,004	3,281
Pension costs - Core	538	-	538	538
	<u>38,329</u>	<u>-</u>	<u>38,329</u>	<u>41,143</u>

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8. DIRECT COSTS

	Health £	Core £	VSDS £	Projects inc SG £	Total 2015 £	Total 2014 £
Staff training	-	3,674	1,328	-	5,002	15,773
Printing & Postage	-	252	1,257	-	1,509	3,849
Subscriptions	-	2,812	287	-	3,099	3,540
Professional fees	5,512	70,153	30,987	24,251	130,903	295,534
Advertising, PR & digital	-	1,884	-	802	2,686	15,432
Meetings & seminars	-	8,542	15,799	3,975	28,316	30,387
Volunteer costs	-	-	-	511,675	511,675	45,718
Management fee	4,348	(79,348)	60,000	15,000	-	-
Sub-contractor costs	-	12,158	-	151,114	163,272	55,420
Occupancy Charge	-	(54,413)	54,413	-	-	-
Wages and salaries	38,672	332,219	407,666	307,352	1,085,909	1,097,698
National insurance	3,033	40,734	31,941	24,078	99,786	100,086
Pension cost	2,829	37,984	29,786	22,453	93,052	97,101
	<u>54,394</u>	<u>376,651</u>	<u>633,464</u>	<u>1,060,700</u>	<u>2,125,209</u>	<u>1,760,538</u>

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9. SUPPORT COSTS

	Health £	Core £	VSDS £	Projects inc SG £	Total 2015 £	Total 2014 £
Printing & Postage	-	9,624	32,767	-	42,391	42,835
Staff recruitment	-	2,925	90	-	3,015	10,146
Meetings & seminars	-	-	-	-	-	1,714
Office maintenance	-	19,454	23,044	-	42,498	34,433
IT hardware & software	-	20,402	598	-	21,000	36,193
Rates	-	2,795	2,896	-	5,691	5,698
Electricity & Gas	-	7,365	7,909	-	15,274	14,892
Telephone	-	8,112	6,927	-	15,039	18,838
Leasing costs	-	4,918	5,563	-	10,481	12,593
Insurance	-	7,739	8,893	-	16,632	16,813
Sundries	1,126	16,916	5,346	10,150	33,538	28,350
Loan interest	-	18,740	-	-	18,740	19,550
Depreciation	-	15,555	-	-	15,555	14,714
	<u>1,126</u>	<u>134,545</u>	<u>94,033</u>	<u>10,150</u>	<u>239,854</u>	<u>256,769</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	15,555	14,714
Auditors' remuneration	9,240	9,531
Pension costs	98,984	101,192

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

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11. STAFF COSTS

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	1,249,440	1,272,815
Social security costs	118,036	119,447
Other pension costs	98,984	101,192
	<u>1,466,460</u>	<u>1,493,454</u>

The average monthly number of employees during the year was as follows:

	2015	2014
	No.	No.
Professional/Operational staff full time	23	20
Professional/Operational staff full time	7	15
Administration staff full time	13	4
Administration staff part time	7	15
	<u>50</u>	<u>54</u>

The number of higher paid employees was:

	2015	2014
	No.	No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

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12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2014 and 31 March 2015	1,943,686	48,714	49,512	2,041,912
Depreciation				
At 1 April 2014	96,783	48,714	49,512	195,009
Charge for the year	15,555	-	-	15,555
At 31 March 2015	112,338	48,714	49,512	210,564
Net book value				
At 31 March 2015	1,831,348	-	-	1,831,348
At 31 March 2014	1,846,903	-	-	1,846,903

13. DEBTORS

	2015 £	2014 £
Trade debtors	31,353	49,482
Prepayments and accrued income	22,031	28,376
	<u>53,384</u>	<u>77,858</u>

**14. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Bank loans and overdrafts	45,000	45,000
Trade creditors	49,531	52,922
Social security and other taxes	26,247	31,403
Pension fund creditor	24,526	31,564
Accruals and deferred income	36,866	14,824
	<u>182,170</u>	<u>175,713</u>

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15. CREDITORS:

Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	1,000,473	1,047,180

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
Between one and two years		
Bank loans	45,000	45,000
Between two and five years		
Bank loans	135,000	135,000
Over five years		
Bank loans	820,473	867,180

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£	£
Repayable by instalments	820,473	867,180

The property at Stirling Barracks, Forthside, Stirling is secured by a first legal mortgage dated 4 July 2007 with Triodos Bank NV.

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16. PENSION COMMITMENTS

Volunteer Development Scotland Ltd participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns. The last actuarial valuation was to 30 September 2011.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The 2011 valuation of the Plan revealed that there was in fact, in deficit and a "Recovery Plan" was agreed by the trustees to be implemented from 1 April 2013.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Volunteer Development Scotland Limited, paid contributions at the rate of 8% during the accounting period. Members paid contributions at the rate of 4% or 8% during the accounting period.

As at the balance sheet date there were 22 active members of the Plan employed by Volunteer Development Scotland Limited. Volunteer Development Scotland Limited continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780.3 million and the Plan's Technical Provisions (i.e. past service liabilities) were £927.9 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £147.6 million, equivalent to a funding level of 84.1%.

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NOTES TO THE FINANCIAL STATEMENTS
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16. PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. Volunteer Development Scotland Limited have agreed a recovery plan and will pay additional contributions of £12,944.64 per annum, increasing at 3% per year for the next 10 years from 1 April 2013.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile

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16. PENSION COMMITMENTS (continued)

over time.

When an employer withdraws from a multi-employer defined benefit scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

17. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	4,152
Between 2 and 5 years	<u>5,482</u>	<u>-</u>

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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Property Funds	754,722	-	-	31,153	785,875
General funds					
General Funds	710,403	1,665,592	(1,542,563)	(12,349)	821,083
Total Unrestricted funds	1,465,125	1,665,592	(1,542,563)	18,804	1,606,958
Restricted funds					
Health	16,153	-	(16,153)	-	-
GP Referrals	38,000	-	(38,000)	-	-
Police Act	20,506	-	(9,026)	-	11,480
BIG VIP (Diag Tool)	24,999	-	(24,999)	-	-
SDS	-	151,110	(147,938)	(3,172)	-
Volunteer Pot	-	487,714	(472,082)	(15,632)	-
Games legacy	-	114,400	(114,400)	-	-
Cast Volunteers	-	196,855	(196,855)	-	-
	99,658	950,079	(1,019,453)	(18,804)	11,480
Total of funds	1,564,783	2,615,671	(2,562,016)	-	1,618,438

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Property funds	754,722	-	-	31,153	785,875
General funds	710,403	1,665,592	(1,542,563)	(12,349)	821,083
	1,465,125	1,665,592	(1,542,563)	18,804	1,606,958
Restricted funds	99,658	950,079	(1,019,453)	(18,804)	11,480
	1,564,783	2,615,671	(2,562,016)	-	1,618,438

Purpose of unrestricted funds:

General funds are those funds which the directors are free to use in accordance with the charitable objectives.

The property reserve has been set up to assist in identifying those funds that are not free funds and it represents the net book value of the leasehold property, less the associated property loan.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Purpose of restricted funds:

Health

To enhance the engagement between key Health Board members and the voluntary sector by helping develop and implement an accessible resource to improve mutual understanding of public and third sectors.

GP Referrals

Map range of social prescribing options (pros/cons); review of evidence on health outcomes from volunteering at regional and national level.

Police Act

Fund provided by Disclosure Scotland to pay the cost of police checks to ensure that charities have this facility at no cost.

BIG VIP (Diag tool)

Development of self help training tool to be used by various charities to help assess organisational needs.

SDS

Employment and training contract to recruit young people 16-24 year olds furthest removed from the employment market to either up skill or achieve employed status.

Volunteer Pot, Games legacy and Cast Volunteers

Contract centred around the Commonwealth Games in Glasgow to engage volunteers to help in games. Expenses were paid to recruits and accommodation arranged for those who required it.

Transfers between funds:

There was an overspend on SDS and The Volunteer Pot funds in the prior year which resulted in using funds from the general reserve to cover the over spend. This was down to a timing difference in spending the income and receiving it. More income was received in the current year than expensed in the current year, therefore being transferred back to the general reserve to compensate for using general funds for the overspend in the prior year.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	1,831,348	-	1,831,348	1,846,902
Current assets	958,253	11,480	969,733	940,773
Creditors due within one year	(182,170)	-	(182,170)	(175,712)
Creditors due in more than one year	(1,000,473)	-	(1,000,473)	(1,047,180)
	<u>1,606,958</u>	<u>11,480</u>	<u>1,618,438</u>	<u>1,564,783</u>

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20. RELATED PARTY TRANSACTIONS

During this and the preceding year, the charity had no transactions with any related parties.