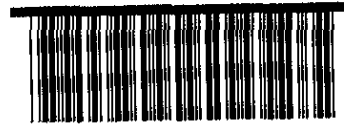


SC106743

**VOLUNTEER DEVELOPMENT SCOTLAND LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 2004**



SCT 81HLLY1F 0892  
COMPANIES HOUSE 28/08/04

## **REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st March 2004**

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## **OFFICERS AND PROFESSIONAL ADVISORS**

### **DIRECTORS**

Directors serving during the year ended 31<sup>st</sup> March 2004

#### **Elected members**

Richard Baldwin (Acting Chair)

Harriet Eadie

Andrew Coutts – resigned 3<sup>rd</sup> December 2003

Liz Ferguson

Roger Hunter – elected 19<sup>th</sup> November 2002

Jane Owen-Brennan – elected 19<sup>th</sup> November 2002

Karen Willey – elected 19<sup>th</sup> November 2002

Akhtar Shah – re-elected 3<sup>rd</sup> December 2003

Bryan Bannerman – elected 3<sup>rd</sup> December 2003

Ann Bain – elected 3<sup>rd</sup> December 2003

Rachel Caunt – elected 3<sup>rd</sup> December 2003

#### **Appointed members**

Ian Ball (Chair) – resigned 3<sup>rd</sup> December 2003

Graeme Thom (Treasurer)

Kathryn Mackenzie, VC Scotland

Karl Monsen-Elvik, VC Scotland appointed 19<sup>th</sup> November 2002

Sue Jones – appointed 3<sup>rd</sup> December 2003

Vacancy

#### **Observers**

Jon Harris – COSLA

Lucy McTernan – SCVO

### **COMPANY SECRETARY**

George Thomson

### **AUDITORS**

Macfarlane Gray

Chartered Accountants &

Registered Auditors

15 Gladstone Place

Stirling

FK8 2NX

### **BANKERS**

The Royal Bank of Scotland plc

82 Murray Place

Stirling

FK8 2DR

### **REGISTERED OFFICE**

Stirling Enterprise Park

Stirling

FK7 7BP

### **COMPANY REGISTRATION NUMBER**

SC106743

### **CHARITY NUMBER**

SC013740

## **DIRECTORS' REPORT**

The directors submit their report for the year ended 31st March 2004.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the surplus or deficit of the company, for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- *Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue.*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **ACCOUNTS**

The directors submit the audited accounts of the company for the year ended 31st March 2004.

### **ACTIVITIES**

The company was incorporated as a company limited by guarantee on 17th September 1987 and took over the business of Volunteer Development Scotland on 1st December 1987.

Volunteer Development Scotland is the Centre of Excellence for volunteering in Scotland. It is an intermediary body which delivers a range of services to all sectors and volunteering development organizations, including Government.

### **REVIEW OF THE BUSINESS**

The organisation works across the sectors and through national and local networks. It promotes volunteering and builds public recognition for the role of volunteers. It contributes to and disseminates research on volunteering and has a lead role in the development of the Millennium Volunteers Programme, the Active Communities Strategy for Scotland, Volunteers Week, Time Bank Scotland and the Central Registered Body for Scotland.

VDS provides training courses, publishes advice on good practice and stands for quality and effectiveness in volunteering. It provides information and advice to businesses and voluntary organisations on employer supported volunteering, supports the Local Volunteer Centre network, and develops new approaches to volunteering in the NHS and in support of black and minority ethnic volunteering.

### **RISK MANAGEMENT**

The directors have assessed the major risks to which the company is exposed and are satisfied that systems are in place to mitigate those risks.

### **RESERVES POLICY**

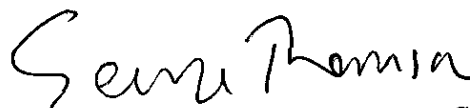
The directors have reviewed their financial responsibilities and have established a policy whereby unrestricted funds not committed or invested in tangible fixed assets (free reserves) held by the company should equate to £450,000. At this level the directors feel that they would be able to continue the current activities of the company in the event of a significant drop in funding, whilst also covering other identified contingencies. At present free reserves which amount to £336,192 do not reach this target and the directors aim to achieve the shortfall within the near future.

## DIRECTORS' REPORT (continued)

### AUDITORS

Macfarlane Gray, Chartered Accountants & Registered Auditors, Stirling, being eligible for re-election have indicated their willingness to continue in office.

By order of the Board

A handwritten signature in black ink, appearing to read "George Thomson".

\_\_\_\_\_  
George Thomson

COMPANY SECRETARY

23 August 2004

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

We have audited the financial statements as presented on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies as set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 3, the charity's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information required by law regarding trustees' remuneration and transaction with the charity is not disclosed.

**BASIS OF AUDIT REPORT**

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**BASIS OF OPINION**


**Audit Procedures**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to the nature of the company.



MACFARLANE GRAY  
Chartered Accountants  
&  
Registered Auditors

23 August 2004

**INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31st MARCH 2004 (summarised)**

	<u>Notes</u>	<u>2004</u>	<u>2003</u> Restated
		£	£
<b>INCOME</b>		1,858,623	1,515,561
<b>EXPENDITURE</b>		<u>1,783,531</u>	<u>1,490,660</u>
<b>SURPLUS FOR YEAR</b>		75,092	24,901
Restricted surplus		<u>(6678)</u>	<u>18,481</u>
<b>UNRESTRICTED SURPLUS FOR YEAR BEFORE TRANSFERS</b>		68,414	43,382
Transferred to designated fund		<u>(60,000)</u>	<u>(42,748)</u>
<b>INCREASE IN GENERAL FUND</b>		<u><b>8,414</b></u>	<u><b>634</b></u>

The 2003 income and expenditure figures have been restated to reflect a change in the accounting treatment of the Primary Care Grants Programme, which is now treated as an administered fund. See note 9 for further information.

# **BALANCE SHEET AS AT 31st MARCH 2004**

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
<b>TANGIBLE FIXED ASSETS</b>	7	<u>170,602</u>	<u>209,530</u>
<b>CURRENT ASSETS</b>			
Prepayments and Accrued Income	8	16,858	45,092
Cash at Bank and Building Society	9	540,883	446,432
Cash on Hand		500	500
		<u>558,241</u>	<u>492,024</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Sundry Creditors and Accruals	10	<u>158,656</u>	<u>206,459</u>
<b>NET CURRENT ASSETS</b>		<u>399,585</u>	<u>285,565</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>570,187</u>	<u>495,095</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>570,187</u>	<u>495,095</u>
<b>FINANCED BY:</b>			
<b>Unrestricted funds</b>			
Designated funds		494,918	418,185
General funds		<u>11,876</u>	<u>3,462</u>
		506,794	461,647
<b>Restricted funds</b>		<u>63,393</u>	<u>73,448</u>
<b>Total funds</b>	11	<u>570,187</u>	<u>495,095</u>

Approved by the Board .....and signed on behalf of the board by:

  
Richard Baldwin DIRECTOR

23. August 2004

The notes on pages 9 to 13 form part of these accounts.



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2004**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>Notes</b>	<b>Funds</b>	<b>Funds</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>Restated</b>
					<b>£</b>
<b>Incoming Resources</b>					
Government Grants	3	938,113	733,795	1,671,908	1,285,446
<b>Activities in furtherance of the charity's objects:</b>					
Membership subscriptions		26,029	-	26,029	21,258
Courses and conferences		57,214	-	57,214	72,123
Fees		34,478	-	34,478	19,817
Publications		3,100	18	3,118	4,292
Sponsorship	4	150	-	150	7,692
Local Authority grants		-	-	-	2,475
Other grants	3	-	44,000	44,000	77,970
Interest received		21,726	-	21,726	24,073
Sundry income		<u>-</u>	<u>-</u>	<u>-</u>	<u>415</u>
<b>Total Incoming Resources</b>		<b><u>1,080,810</u></b>	<b><u>777,813</u></b>	<b><u>1,858,623</u></b>	<b><u>1,515,561</u></b>
<b>Resources Expended</b>					
<b>Charitable Expenditure</b>					
Staff costs		683,032	474,750	1,157,782	895,113
Service costs		203,722	150,517	354,239	386,112
Property costs		51,121	68,286	119,407	118,567
Administration costs		<u>74,521</u>	<u>77,582</u>	<u>152,103</u>	<u>90,868</u>
<b>Total Resources Expended</b>		<b><u>1,012,396</u></b>	<b><u>771,135</u></b>	<b><u>1,783,531</u></b>	<b><u>1,490,660</u></b>
<b>Net Incoming/(Outgoing) Resources</b>		<b>68,414</b>	<b>6,678</b>	<b>75,092</b>	<b>24,901</b>
<b>Total Funds at 1 April 2003</b>		<b><u>421,647</u></b>	<b><u>73,448</u></b>	<b><u>495,095</u></b>	<b><u>470,194</u></b>
<b>Transfer Between Reserves</b>		<b>16,733</b>	<b>(16,733)</b>	<b>-</b>	<b>-</b>
<b>Total Funds at 31 March 2004</b>	<b>11</b>	<b><u>506,794</u></b>	<b><u>63,393</u></b>	<b><u>570,187</u></b>	<b><u>495,095</u></b>

The notes on pages 9 to 13 form part of these accounts.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2004

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The Accounts have been prepared under the historical cost basis of accounting, and in accordance with Accounting and Reporting by Charities 2000- Statement of Recommended Practice.

#### Statement of Financial Activities

Expenditure has been allocated proportionate to staff time spent on each of the charity's activities.

#### Administered Funds

Income derived from the Primary Care Volunteering Fund has this year been treated as administered funds as the company has no discretion as to how these funds are to be used. This is a change in policy as in 2003 income received and grants paid out were shown as income and expenditure in the SOFA and Income and Expenditure Statement.

#### Publications

All costs of producing publications are written off to the income and expenditure account in the year incurred.

#### Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its useful life as follows:

Leasehold Property	: 10 years
Furniture & Fittings	: either 3 or 5 years
Computer & Electronic Equipment	: either 3 or 5 years

#### Accrued Income

It is policy to take income to the income and expenditure account in the year to which it relates. Accordingly, any income receivable at the balance sheet date is accrued in the accounts.

#### Funds

In compliance with Accounting and Reporting by Charities 2000-Statement of Recommended Practice, the directors have defined funds in terms of those which are of a restricted nature and those which are unrestricted.

#### Pensions

Pension fund arrangements are available for employees who elect to participate and are made either through the Pension Trust or alternatively through any personal pension scheme chosen individually by the employee. All schemes are money purchase arrangements. Contributions are charged to the income and expenditure account as incurred.

#### VAT

Income is shown net of VAT. Expenditure is shown inclusive of VAT, with an adjustment shown for any repayable input VAT. The company ceased to be registered for VAT on 30<sup>th</sup> September 2002.

### 2. EXCESS OF INCOME OVER EXPENDITURE

Excess of income over expenditure for the year is stated after charging:

	<u>2004</u>	<u>2003</u>
	£	£
Auditors' Remuneration for year (including VAT)	6500	5,875
Under provision of Auditors' Remuneration year ended 31st March 2003	-	1,175

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2004 (cont.)**

<b>3. GOVERNMENT GRANTS</b>	<u>2004</u>	<u>2003</u>
	£	Restated £
<b>SCOTTISH EXECUTIVE</b>		
<i>Voluntary Issues Unit</i>		
Core Grant	938,113	248,541
LVDA Grants Programme Administration	-	14,945
LVDA Special Projects	-	81,900
Active Communities Development Unit	-	101,635
Black and Minority Ethnic Volunteering	-	82,560
Employer Supported Volunteering	-	25,000
ICT Development/Training Suite	23,689	160,311
Time Bank	-	25,000
Volunteers Week	-	10,000
Central Registered Body	450,000	300,000
Training	-	6,450
Other	-	2,800
MV Pilot	-	9,400
MSAG	28,115	-
Volunteer Strategy	38,000	-
	<u>1,477,917</u>	<u>1,068,542</u>
<i>Health Department</i>		
Primary Care Grants Admin	154,670	172,672
Primary Care Grants Evaluation	-	7,100
	<u>154,670</u>	<u>179,772</u>
<i>Social Work Services Inspectorate</i>		
Section 9 Training	<u>39,321</u>	<u>37,132</u>
<b>Total</b>	<u>1,671,908</u>	<u>1,285,446</u>
	<u>2004</u>	<u>2003</u>
	£	£
<b>OTHER SOURCES</b>		
<i>Community Fund</i>		
Volunteers Week	-	17,270
SUFI	44000	-
Scottish Enterprise (ESV)	-	10,000
Lloyds TSB Foundation for Scotland	-	27,300
Scottish Natural Heritage	-	8,000
SCVO	-	15,400
	<u>44,000</u>	<u>77,970</u>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2004 (cont.)**

<b>4. SPONSORSHIP</b>	<u>2004</u>	<u>2003</u>
	£	£
Kwik Fit	-	2,500
Clydesdale Bank plc	-	5,192
Royal Bank of Scotland	<u>150</u>	<u>-</u>

	<u>150</u>	<u>7,692</u>
--	------------	--------------

<b>5. STAFF COSTS</b>	<u>2004</u>	<u>2003</u>
	£	£
Salaries	941,278	721,726
Social Security Costs	68,106	64,906
Other Pension Costs	<u>92,825</u>	<u>33,462</u>
	<u>1,102,209</u>	<u>820,094</u>

The average number of employees during the year was 48 made up as follows:

	<u>2004</u>	<u>2003</u>
	£	£
Professional/Operational Staff (Full Time)	39	27
Professional/Operational Staff (Part Time)	4	6
Administration Staff (Full Time)	5	6
Administration (Part Time)	<u>-</u>	<u>-</u>
	<u>48</u>	<u>39</u>

No employees received remuneration in excess of £50,000 per annum.

**NB:** Other than as detailed in note 12, directors are not remunerated. Three directors received reimbursement of expenses for attending meetings, amounting to a total of £1,551 (2003:£2,848).

**6. TAXATION**

The Company is accepted as a charity for taxation purposes. It is considered that no liability to taxation will arise from the results for the year.

**7. TANGIBLE FIXED ASSETS**

	<b>Leasehold Property £</b>	<b>Computer, Furniture &amp; Fixtures £</b>	<b>Electronic Equipment £</b>	<b>TOTAL £</b>
<b>Cost</b>				
As at 31/3/03	199,978	48,714	40,670	289,362
Additions	-	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31/3/04	<u>199,978</u>	<u>48,714</u>	<u>40,670</u>	<u>289,362</u>
<b>Depreciation</b>				
As at 31/3/03	33,010	23,855	22,967	79,832
Charge for Year	19,998	7,880	11,050	38,928
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31/3/04	<u>53,008</u>	<u>31,735</u>	<u>34,017</u>	<u>118,760</u>
<b>Net Book Value</b>				
As at 31/03/04	<u>146,970</u>	<u>16,979</u>	<u>6,653</u>	<u>170,602</u>
<b>Net Book Value</b>				
At 31/3/03	<u>166,968</u>	<u>24,859</u>	<u>17,703</u>	<u>209,530</u>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2004 (cont.)**

**8. PREPAYMENTS AND ACCRUED INCOME**

	<u>2004</u>	<u>2003</u>
	£	£
Prepayments	15,396	27,258
Accrued Income	<u>1,462</u>	<u>17,834</u>
	<u>16,858</u>	<u>45,092</u>

**9. CASH AT BANK**

The bank balance at 31<sup>st</sup> March 2004 includes a value in respect of administered funds of £7,960.

The company is involved in administering the setting up of volunteering development agencies in 30 local authorities. Each agency receives funds from the Scottish Executive, which are administered to them through the company. Nil was held at 31<sup>st</sup> March 2004 (2003 : Nil) Total income administered during the year amounted to £1,986,765 (2003: £1,933,875) and disbursements totalled £1,986,765 (2003: £1,933,875).

The company is also involved in administering the Primary Care Volunteering Fund. £7,960 was held at 31<sup>st</sup> March 2004 (2003 : £72,832). Total income administered during the year amounted to £186,244 (2003: £301,683) and disbursements totalled £186,244. (2003: £301,683)

**10. CREDITORS – Amounts due within one year**

	<u>2004</u>	<u>2003</u>
	£	£
V.D.S. Funds:		
Accrued Charges	91,890	90,894
Pension Fund Creditor	12,623	5,022
Subscriptions in Advance	13,888	12,175
Courses in Advance	4,010	558
Grants in Advance and Accrued Project Costs	0	1,393
Social Security Costs and Other Taxes	<u>28,285</u>	<u>23,585</u>
	<u>150,696</u>	<u>133,627</u>
Administered Funds:		
Primary Care Volunteering Project	<u>7,960</u>	<u>72,832</u>
Total	<u>158,656</u>	<u>206,459</u>
Grants in advance are made up of the following:		
N.H.S. Grants and income in advance	-	<u>1,393</u>

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004 (cont.)

## 11. FUNDS

	Property Fund £	Designated Fund £	General Fund £	Restricted Fund £	Total Fund £
Balance at 1st April 2003	209,530	208,655	3,462	73,448	495,095
Net incoming/(outgoing) resources	-	-	68,414	6,678	75,092
Transfers between reserves	(38,928)	115,661	(60,000)	(16,733)	-
Balance at 31st March 2004	<u>170,602</u>	<u>324,316</u>	<u>11,876</u>	<u>63,393</u>	<u>570,187</u>
<b>Represented by:</b>					
Tangible fixed assets	170,602	-	-	-	170,602
Net current assets	-	324,316	160,167	73,758	558,241
Deferred income	-	-	-	(7,960)	(7,960)
Other current liabilities	-	-	(148,291)	(2,405)	(150,686)
	<u>170,602</u>	<u>324,316</u>	<u>11,876</u>	<u>63,393</u>	<u>570,187</u>

The Property Fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets.

Designated Funds are unrestricted funds which the directors have set aside for particular purposes as outlined in the reserves policy on page 3.

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

Restricted Funds are funds which have been given for particular purposes and projects.

## 12. RELATED PARTY TRANSACTIONS

During the year the company paid a total of £3,000 plus VAT (2003: £5,000) to Scott-Moncrieff, Chartered Accountants. Graeme Thom, a director of the company, is a consultant in Scott-Moncrieff.

## 13. CAPITAL

The Company is limited by guarantee and has no share capital.

## 14. PRESENTATION OF ACCOUNTS

The accounts have been adapted under Section 3(3) of Schedule 4 of the Companies Act 1985 to incorporate an income and expenditure account instead of a profit and loss account.