

Charity No. SC033951  
Company No. SC242242



**HIV SCOTLAND**  
**REPORT and FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**



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**HIV SCOTLAND**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 March 2021**

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## **HIV SCOTLAND**

### **DIRECTORS' REPORT**

#### **For the year ended 31 March 2021**

The Directors, who are Directors for the purpose of company law and trustees for the purpose of charity law, present their report for the year ended 31 March 2021.

#### ***Reference and Administration Information***

Company Number: SC242242

Charity Number: SC033951

The Directors and officers serving during the year and since the year end were as follows:

#### ***Board of Directors***

Ms Grace Currie (appointed 26 August 2021)

Mrs Hosanna Bankhead (appointed 27 February 2021, resigned 9 November 2021)

Dr Daniela Brawley (appointed 23 August 2021)

Ms Jessica Henderson (appointed 23 August 2021)

Mr James Docherty (appointed 23 August 2021)

Mr Iain Walker (appointed 23 August 2021)

Dr Karen E Thomson (appointed 1 October 2021)

Dr Melea Press (appointed 4 October 2021)

Mr James Alexander (appointed 23 August 2021)

Ms Agnes Mary Ngulube Holmes (resigned 23 August 2021)

Ms Nicoletta Policek (resigned 23 August 2021)

Mr Brian C West (resigned 23 August 2021)

Mr Barry R Drennan (appointed 27 February 2021)

Mr Christopher Peter McCormack (resigned 3 February 2021)

Ms Lorna McDonald (appointed 6 July 2020, resigned 3 February 2021)

Mr James William Whyte (resigned 2 February 2021)

Mr Alan William Surgeon (resigned 3 February 2021)

Mr Jason Orr (appointed 6 July 2020, resigned 3 February 2021)

Mr Douglas Affleck Thomson (appointed 6 July 2020, resigned 22 September 2020)

Dr Ndalinoshisho Liita-Iyaloo Cairney (appointed 6 July 2020, resigned 8 March 2021)

#### ***Company Secretary***

James Whyte (resigned 2 February 2021)

Iain Walker (appointed 12 October 2021)

#### ***Chief Executive Officer***

Nathan Sparling (resigned 2 February 2021)

Alastair Hudson (appointed: on interim basis) - 17 February 2021

#### ***Registered Office and Operating Address***

Standard Building

94 Hope Street

Glasgow G2 6PH

#### ***Independent Auditors***

Chiene + Tait LLP

Chartered Accountants & Statutory Auditor

61 Dublin Street

Edinburgh EH2 6NL

#### ***Bankers***

Royal Bank of Scotland plc

36 St Andrew Square

Edinburgh EH2 2AD

#### ***Solicitors***

Shepherd & Wedderburn LLP

1 Exchange Crescent

Conference Square

Edinburgh EH3 8UL

## **HIV SCOTLAND**

### **DIRECTORS' REPORT (continued)**

#### **For the year ended 31 March 2021**

##### **Operational Review**

HIV Scotland was set up as the Scottish Voluntary HIV & AIDS Forum in 1994 and has been the leading independent organisation in Scotland that has enabled better outcomes for people living with and at risk of HIV, through policy and campaigning initiatives.

The Directors' would like to report on what has been an exceptionally challenging year against the backdrop of the continuing Covid-19 pandemic and an uncertain wider economic environment. This has been further compounded by the identification of financial irregularities in connection with the use of funds by an employee for personal purposes. The organisation has taken significant steps to rectify this situation. This has encompassed:

- informing OSCR of the matter and provision of an appropriate response to their queries
- informing Police Scotland of the misappropriation of funds and providing appropriate responses to their inquiries.
- the appointment of a new CEO (on an interim basis) to undertake a strategic review of the governance, processes and procedures.
- the appointment of a new Board of Directors responsible for ensuring that the strategic governance and operational aims of the organisation are met; and
- implementation of enhanced procedures in particular with regards to ensuring robust financial management and control.

The new Board has also undertaken training to ensure that they are aware of their statutory duties as well as their duties in respect of the strategic and operational management of the organisation. The Directors consider the changes implemented also make the organisation more agile in its ability to deliver its work in what continues to be a difficult environment.

We would like to thank our supporters, collaborators and partners who have worked with us to continue our success and work towards our mission to get zero new HIV transmissions, zero HIV related deaths and zero HIV related stigma. This puts the organisation on track to wholly contribute to global goals to end the HIV epidemic by 2030.

##### **Objectives and activities**

The organisation's strategic objectives were to ensure that Scotland reached:

- Zero new HIV transmissions
- Zero HIV-related deaths
- Zero HIV-related stigma
- 100% quality of life for people living with HIV; by 2030.

HIV Scotland developed these strategic objectives as part of a widespread consultation exercise, involving people living with, and at risk of, HIV, third sector partners, the Scottish Government, statutory services, staff, volunteers and the Board of Directors, HIV Scotland was proud to launch a new Strategic Plan.

HIV Scotland will continue work to achieve these strategic objectives by undertaking activities to ensure that:

- People at risk of HIV can access information about the various HIV prevention methods.
- People have equal and equitable access to HIV testing, treatment and quality support services.
- People living with HIV can access appropriate treatments to ensure viral suppression and live well into older age.
- The number of people diagnosed with HIV at a late stage of infection is reduced.
- Opportunities exist for PrEP users and people at risk of HIV to be involved in the design and delivery of services.
- Services across Scotland are co-designed and developed with people living with HIV.
- Experiences of marginalised groups are heard by decision makers.
- Young people have access to inclusive education about HIV.
- Policies and practice in Scotland do not discriminate against people living with HIV.
- Public attitudes and knowledge about HIV have improved and more people are aware about the modern-day realities of HIV.
- A unified approach to tackling HIV in Scotland exists.
- Opportunities exist for the HIV sector to influence decision makers.

## **HIV SCOTLAND**

### **DIRECTORS' REPORT (continued)**

#### **For the year ended 31 March 2021**

- Opportunities exist for sharing best practice and celebrating achievements between the third sector, health service, academia and others.

#### **Achievements and Performance**

Whilst the on-going Covid-19 pandemic had an impact on normal operations of the organisation, it continued to deliver in respect of the projects listed below.

**HIV Self-test** – was set up in 2020 to deliver postal home testing kits to support HIV testing challenges due to lock down. The project was initially developed in partnership with Waverley Care and funded by Gilead Sciences and ViiV. This service delivered over 8,000 home tests and 13 reactive test results. The project went on to secure funding from Scottish Government for 2021-22.

**National Patient Survey** – HIV Scotland worked with the Diffley Partnership to deliver this study asking questions about awareness of and attitudes towards the illness known as HIV across Scotland. The study findings were launched at the Fast Track Cities Summit.

#### **Financial Review**

The deficit for the year was £18,661 (2020: surplus of £5,466). The total incoming resources for the year amounted to £428,695 (2020: £302,491), of which £265,732 (2020: £257,575) was related to restricted projects and £162,963 (2020: £44,916) was attributable to unrestricted funds.

#### **Principal funding sources**

Since March 2019, the charity has sought to reduce its dependency on Scottish Government funding. The charity has sought funding from a broader group of organisations and is extremely grateful to the trusts and companies listed in note 3 for their support. We are delighted to continue to expand the support for the organisation from a range of different funding bodies, including pharmaceutical companies, and we will expand on that in the coming years.

#### **Reserves**

The Directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be three months of the resources expended. The current national and global financial climate is one where fundraising for unrestricted reserves is incredibly difficult and the charity has been working to its fundraising strategy for further increase.

In addition, the financial records maintained by the former CEO have been found to be of a poor standard and whilst we continue to investigate the expenditure incurred, this has been allocated to unrestricted funds unless specific evidence is available that it related to restricted activities.

At the year end the charity had an unrestricted deficit of £265,114, including the pension liability of £51,821, and restricted reserves of £285,822.

#### **Investment Policy**

The cash reserves of the organisation are held in interest bearing accounts. The Directors keep this arrangement under regular review and pay particular attention to the requirement to ensure that sufficient liquidity is maintained to enable the organisation to manage its commitments, taking into account the uncertainty attached to the timing of receipt of large proportions of its income.

## **HIV SCOTLAND**

### **DIRECTORS' REPORT (continued)**

#### **For the year ended 31 March 2021**

##### Principal Risks and Uncertainties

The Directors continually review and assess the risks to which the company is exposed. Through its Policy Governance Manual, the Directors comprehensively list all the Board's responsibilities and risks, and ensure all items are addressed directly by delegation to the Chief Executive Officer. These include:

- Annually reviewing and monitoring the reach and effectiveness of its overall strategic ends including public and political discourse, research and information, and; greater involvement of people living with and at risk of HIV.
- The Executive Limitations describe the boundaries of prudent ethical behaviour within which the Chief Executive Officer and staff can operate. The high-risk Executive Limitations are reviewed quarterly. They include financial planning and budgeting, actual financial condition, and; asset protection. On a rotating annualised schedule, the Board review the remaining executive limitations: treatment of other agencies and the public; engagement and treatment of staff; compensation and benefits; Chief Executive Officer succession planning, and; communication and support provided to the Board.
- Overall governance processes are reviewed on an annualised schedule: Governing Style; Ownership Connection; Governance Succession; Board Job Description; Audit; Agenda Planning; Board Members' Code of Conduct; Role of the Chair; role of the Board Secretary; Role of Committees, and; Cost of Governance.
- Finally, the board also review how they delegate their authority on a rotating annualised schedule: Accountability of the CEO; Delegation to the CEO; Performance Monitoring; CEO Compensation, and; Duty of Care.
- The Board make their Policy Governance Manual publicly available via the charity's website for transparency in running the charity. The governance of these policies enables effective and accurate procedures to remain in place, and that non-compliance can be noticed and learned from.
- The Board identified its principal risks as including: rebuilding the reserves to £30,000 by developing fundraising initiatives; maintaining a repayment plan to manage the pension deficit; maintaining the quality of our work, and; increasing the diversity of our income by applying to trusts to fund parts of our work. The Board will keep the reserves policy under review to ensure it meets the needs of the organisation.

## HIV SCOTLAND

### DIRECTORS' REPORT (continued)

#### For the year ended 31 March 2021

#### Plans for future period

The Board is excited to detail the plans for the next year and beyond:

- **Community Advisory Network (formally the Positive Persons Forum)** – HIV Scotland will continue to bring together people living with and affected by HIV across Scotland to ensure that HIV Scotland's work continues to be relevant, innovative, and community0centred. The COVID-19 pandemic continues to change the way we work and we will establish online (and offline when permitted) meetings to facilitate this exchange. Working with funding partners we look to secure the group over two years through the European Community Fund.
- **Responding to COVID** - The COVID-19 pandemic has changed every manner of everyday life. This includes impacting those living with HIV the most. We will continue to work with partners in the Scottish Government and our third sector colleagues to remain up-to-date and exchange accurate information and support to our service users. This includes online and phone support for those people living with and affected by HIV.
- **Funding** – our ongoing funding is a large piece of work. We hope to continue conversations with the Scottish Government for ongoing support for HIV Scotland in 2022. We look to engage and re-engage with funders such as ViiV, Gilead, the Big Lottery Community Fund, the Glasgow District Council Communities Fund, and the Glasgow Universities Impact Acceleration Award.
- **Strong Organisation** – to ensure the charity is performing and remaining relevant, we will continue to review our policies and procedures, upgrade our network platforms, privacy and security, to ensure the charity remains stable.
- **Partnerships** – working with the Scottish Government we look to secure HIV Scotland as a strong organisation, offering our staff well-established and funded positions while possibly looking to expand where appropriate. This core funding will cement the charity in its location while providing us the capacity to ensure workplace learning and continued professional development remains key.
- **HIV self-test relaunch** – we look to relaunch the HIV self-test service, offering free home testing to all those currently living in Scotland. Home testing is a principal piece of work for the charity following the pandemic while also producing an accessible and reliable product for those to test for HIV in a location of their choosing. The relaunch will come with a new look and feel, and innovative use of technology and online software while being accessible and discrete for the audience base. Those testing will be offered key pieces of positive sexual practices, such as the use of PrEP and contraception while being encouraged to submit results and receive guidance on the outcome. With engagement from the Scottish Government, we are ambitious in becoming Scotland's national home testing offer.
- **Primary research** – as Scotland's leading HIV Charity it is our duty to be at the forefront of primary research and policy for those living with or affected by HIV.
- **Campaigning** – The charity looks to engage thoroughly online with key national and world stage events throughout the year. Using our website and social media we will craft engaging and thought-provoking campaigns to place HIV Scotland in spaces relevant and appropriate. Examples such as World Aids Day, National Volunteers Week, Sexual Health Awareness, and Pride Month, to name a few.

## **DIRECTORS' REPORT (continued)**

### **For the year ended 31 March 2021**

#### **Structure, governance and management**

The Board seeks to ensure that the charity exists for the benefit of all people living with, or at risk of, HIV whom the charity sees as its moral owners. The Board strives for excellence in governance by the use of a Policy Governance framework which ensures their focus on: strategic decision making; board member conduct and responsibilities; financial planning; legal compliance; management of conflicts of interests; risk and fraud prevention; and delegation of the day-to-day management and operations to the Chief Executive Officer.

#### **Governing document**

On 14 January 2003, HIV Scotland was incorporated as a private company limited by guarantee. The company was established under a Memorandum of Association that sets out the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The current governing document was revised and adopted in August 2010. The Board plans to investigate whether the governing document needs to be revised over the forthcoming financial years.

#### ***Trustee Recruitment, Training and Appointment***

The Directors of HIV Scotland are also Trustees for the purposes of charity law. Directors are given advice on their responsibilities in terms of general Company Law, guidelines set out by the Office of the Scottish Charity Regulator and other relevant legislation.

#### **Directors' induction and training**

All new directors are provided with induction and training, including overview of the practical work of the charity. On appointment, new directors meet with the current board and are briefed on or presented with the following:

- The obligations of being a director and introduction to the governance model;
- The main documents which set out the operational framework of the charity including the Memorandum and Articles;
- The current financial position and a set of the latest annual report and statutory financial statements;
- Future plans and objectives of the charity.

An annual skills audit is undertaken by the Board to identify strengths and address knowledge gaps.

#### **HIV Scotland work plans**

The Board recognise that HIV policy work requires addressing and sometimes challenging deeply established institutional, societal, and personal positions. The charity works to annual work plans that are designed to contribute to the charity's long-term strategic ends, whilst remaining agile to respond to the needs of our beneficiaries.

The organisation convenes the Community Advisory Network every quarter to operationalise the meaningful involvement of people living with and affected by HIV in our work. We operate expert seminars and events to bring the wider HIV sector together to feed into our work.

## **HIV SCOTLAND**

### **DIRECTORS' REPORT (continued)**

#### **For the year ended 31 March 2021**

##### HIV Scotland work plans (continued)

The organisation also operates a Board development day and staff development, alongside other development opportunities to gather strategic and operational guidance, which helps to reflect on the effectiveness and learnings from the previous year and develop a work plan for the year ahead.

HIV Scotland will revitalise the Positive Person's Forum over the next financial year, building on the new Advisory Network of people living with HIV that has helped to shape the organisations work. The organisation will continue with a number of thematic seminars to ensure we work in a collaborative way across multiple sectors.

Operationally, the maintenance of robust staff induction, clear job descriptions, monthly team meetings, regular support and supervision, annual work planning, and annual reviews for all staff has ensured the operational team remain supported and focused on delivery of the key performance outcomes.

##### Organisational structure

HIV Scotland has a Board of directors of up to fourteen individuals with a diverse wealth of skills and expertise who meet quarterly and are responsible for the governance of the charity. The directors have delegated the day to day running of the charity to the Chief Executive Officer who is responsible for ensuring that the charity delivers the outcomes specified.

The Board are grateful to the dedication of the many volunteers and unpaid interns who continued to enrich the achievement of outcomes for the organisation, without whose help the organisation would be unable to meet its objectives. The paid staffing complement for the organisation at the end of this financial year was a, Policy & Research Assistant, interim Operations Manager and an interim Chief Executive Officer.

##### Key management personnel and remuneration policy

The directors consider the Board of directors, who are also the trustees, and the Chief Executive comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration nor expenses in the year.

The remuneration of the former Chief Executive was based on the HIV Scotland salary scale that was developed by Dave Rigby consulting in 2013, using a comparison with other agencies and referenced to the SJC scale. The interim Chief Executive is paid on a daily consulting rate.

##### **Responsibilities of the Directors**

The Directors (who are also Trustees of HIV Scotland for the purpose of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;

**HIV SCOTLAND**

**DIRECTORS' REPORT (continued)**

**For the year ended 31 March 2021**

**Responsibilities of the Directors (continued)**

- state whether applicable UK 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 charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that 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) Regulations 2006 (as amended). 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.

In so far as the Directors are aware:

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

**Small company provisions**

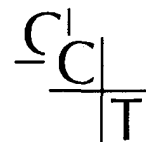
This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the Directors on 31 August 2022 and signed on their behalf by:

*Iain Walker*

**Iain Walker**  
Director

# INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF HIV SCOTLAND



## Disclaimer of Opinion

We were engaged to audit the financial statements of HIV Scotland (the 'charitable company' for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the charitable company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## Basis for Disclaimer of Opinion

As disclosed in note 15, the Chief Executive Officer resigned during the year and following a review it was identified that they had entered into a number of transactions that were not in pursuit of the charitable objectives of HIV Scotland, and as such are considered to be fraudulent. A detailed investigation was undertaken by management to identify fraudulent transactions or funds drawn by the former Chief Executive Officer for personal expenditure that had not been reimbursed. A total of the expenditure identified is included in note 5 as "unidentified expenditure". During the investigation it was also identified that a number of the supporting documents were missing or had limited detail to support the nature of the expenditure. We were unable to obtain sufficient appropriate audit evidence to confirm that all fraudulent expenditure had been identified due to the lack of supporting evidence. Consequently, we were unable to determine whether any further adjustments to this amount was necessary.

In addition to the lack of evidence in support of expenditure, management have been unable to locate documentation in support of income received during the year. We have been unable to obtain sufficient audit evidence to confirm that income has been appropriately allocated between restricted and unrestricted income, or that had it has been recognised in the appropriate accounting period. Consequently, we were unable to determine whether any further adjustments to the income recognised was necessary.

## Material uncertainty related to going concern

We draw attention to the deficit on unrestricted funds as at 31 March 2021 of £265,114 together with note 19 in the financial statements, which indicates that the future core funding of the charitable company beyond March 2023 is uncertain as no confirmation has been received that they will receive funding or the amount of funding that they will receive. As stated in note 19, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

## Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS**

### **OF HIV SCOTLAND (Continued)**

#### **Matters on which we are required to report by exception**

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Directors' Report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 Directors' remuneration specified by law are not made; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors (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 directors 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 directors 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 directors 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the 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.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF HIV SCOTLAND (Continued)

### Detection of irregularities including fraud

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.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, included fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to available underlying supporting documentation;
- review of minutes of trustee meetings throughout the period;
- enquiries of the management and directors; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a material misstatement due to fraud.

### Use of our report

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 directors, 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 charitable company's members and directors 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 charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

*Malcolm R Beveridge*

**Malcolm Beveridge CA (Senior Statutory Auditor)**  
for and on behalf of  
**Chiene + Tait LLP**  
**Chartered Accountants and Statutory Auditor**  
61 Dublin Street  
Edinburgh  
EH3 6NL

05 September 2022

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**HIV SCOTLAND LIMITED****STATEMENT of FINANCIAL ACTIVITIES**  
**(incorporating the income and expenditure account)****For the year ended 31 March 2021**

	Notes	Un- restricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>Income</b>					
Donations	3	28,935	-	28,935	53,593
Fundraising	3	4,553	-	4,553	-
Charitable activities					
Grant income	4	129,453	265,732	395,185	248,771
Investments		22	-	22	127
<b>Total income</b>		<b>162,963</b>	<b>265,732</b>	<b>428,695</b>	<b>302,491</b>
<b>Expenditure</b>					
Fundraising costs	6	40,943	-	40,943	51,301
Charitable activities	5	354,909	48,747	403,656	248,019
<b>Total expenditure</b>		<b>395,852</b>	<b>48,747</b>	<b>444,599</b>	<b>299,320</b>
<b>Net income</b>		<b>(232,889)</b>	<b>216,985</b>	<b>(15,904)</b>	<b>3,171</b>
Transfers between funds		(132)	132	-	-
					3,171
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on pension scheme		(2,757)	-	(2,757)	2,295
<b>Net movement in funds</b>		<b>(235,778)</b>	<b>217,117</b>	<b>(18,661)</b>	<b>5,466</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 April 2020		(29,336)	68,705	39,369	33,903
<b>Fund balances carried forward at 31 March 2021</b>	16	<b>(265,114)</b>	<b>285,822</b>	<b>20,708</b>	<b>39,369</b>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 15 to 27 form part of these financial statements.

**HIV SCOTLAND LIMITED****BALANCE SHEET****As at 31 March 2021**

	Notes	£	2021 £	2020 £
<b>Fixed assets</b>	11		1,976	3,071
			-----	-----
<b>Current assets</b>				
Debtors	12	83,779		35,506
Cash at bank		34,469		97,567
		-----		-----
		118,248		133,073
<b>Creditors: amounts falling due within one year</b>	13	(47,695)		(41,701)
		-----		-----
<b>Net current (liabilities)/assets</b>			70,553	91,372
			-----	-----
<b>Total assets less current liabilities</b>			72,529	94,443
			-----	-----
<b>Pension liabilities: amount falling due after more than one year</b>	18	(51,821)		(55,074)
		-----		-----
<b>Net assets less liabilities</b>	17		20,708	39,369
			=====	=====
<b>Funds</b>	16			
Unrestricted – General			(213,293)	25,738
Unrestricted – Pension			(51,821)	(55,074)
Restricted			285,822	68,705
			-----	-----
			20,708	39,369
			=====	=====

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and for circulation to members of the board.

These financial statements were approved by the members of the board on 31 August 2022 and are signed on its behalf by:



**Iain Walker**  
Director

Company No: SC242242

The notes on pages 15 to 27 form part of these financial statements.

**HIV SCOTLAND LIMITED****STATEMENT OF CASHFLOWS****As at 31 March 2021**

	2021 £	2020 £
<b>Net movement in funds</b>	(18,661)	5,466
Investment income	(22)	(127)
Add back depreciation	1,095	1,167
Pension scheme movements	(3,253)	(8,535)
(Increase) in debtors	(48,273)	(5,154)
Increase in creditors	5,994	20,499
	-----	-----
Net cash (used in)/provided by operating activities	(63,120)	13,316
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	-	(1,188)
Interest received	22	127
	-----	-----
Net cash generated by/(used in) investing activities	22	(1,061)
	-----	-----
Change in cash and cash equivalents in the reporting period	(63,098)	12,255
Cash and cash equivalents at the beginning of the year	97,567	85,312
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	34,469	97,567
	=====	=====

**Analysis of changes in net debt**

	At 1 April 2020 £	Cash Flows £	At 31 March 2021 £
Cash and cash equivalents	97,567	(63,098)	34,469
	=====	=====	=====

The notes on pages 15 to 27 form part of these financial statements.

## **HIV SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS**

#### **For the year ended 31 March 2021**

#### **1. Company information**

HIV Scotland is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC242242. The registered office is 18 York Place, Edinburgh, EH1 3EP. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

#### **2. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with 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) (second edition – October 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

HIV Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The financial statements have been prepared on a going concern basis. The charity reported a decrease of £2339,031 (excluding pension deficit) in unrestricted funds and an increase of £217,117 in restricted funds for the year. The Directors have assessed the charitable company's ability to continue as a going concern, as detailed in note 19, and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

##### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, there is sufficient certainty or receipt and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations which are recognised when communication of the donation is received together with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.
- Interest on funds held on deposit is included upon notification of the interest received or receivable from the Bank.
- Income from charitable activities is received by the way of grants. Where entitlement is not conditional on the delivery of a specific performance by the charity, grants are recognised when the charity becomes unconditionally entitled to the income. Where related to performance and specific deliverable, they are accounted for as the charity earns the right to consideration by its performance.

##### **Resources expended**

All expenditure is included as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. The charity is not registered for VAT and, accordingly, costs are shown gross of irrecoverable VAT.

- 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 of an indirect nature necessary to support them.

## **HIV SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS (continued)**

#### **For the year ended 31 March 2021**

#### **2. Accounting policies (continued)**

- Indirect costs are allocated based on staff time. Governance costs are those costs associated with meeting the constitutional and statutory requirements of the charity, including audit fees and costs linked to the strategic management of the charity.

#### **Fixed assets**

Tangible fixed assets are initially recorded at cost and capitalised if £500 or above. Depreciation is provided at a rate calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Office equipment – 20% straight line

#### **Operating leases**

Costs incurred in respect of operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

#### **Unrestricted funds**

Unrestricted funds are incoming resources generated for the objects of the charity without further specified purpose and are available as general funds.

#### **Restricted funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **Creditors**

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **Financial instruments**

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Pensions**

HIV Scotland is a participating employer in The Pensions Trust Scottish Voluntary Sector Pension Scheme ("the Scheme") that provided benefits based on final pensionable pay. The Scheme closed to future accrual on 31 March 2010. The assets of the scheme are held separately from those of the charity.

Since 1 April 2010, HIV Scotland has provided pension contributions for employees to a defined contribution scheme. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year and contributions toward the deficit of the defined benefit scheme as described in note 17.

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021**

<b>3. Donations</b>	<b>Un- restricted £</b>	<b>Restricted £</b>	<b>2021 £</b>	<b>2020 £</b>
MAC AIDS Donation	-	-	-	20,000
Miscellaneous	28,935	-	28,935	33,593
JRS Grant	6,427	-	6,427	-
Fundraising – Kiltwalk	4,553	-	4,553	-
	33,488	-	33,488	53,593
	=====	=====	=====	=====
<b>4. Grant income</b>	<b>Un- restricted £</b>	<b>Restricted £</b>	<b>2021 £</b>	<b>2020 £</b>
Scottish Government				
HIV Scotland	-	80,400	80,400	100,500
CPG	-	-	-	3,000
GCU Resource	-	3,000	3,000	-
ViiV Patient Survey	-	24,630	24,630	19,606
Gilead Funding	-	59,760	59,760	60,574
National Lottery Fund	-	26,550	26,550	26,157
Borders Patient Forum	-	-	-	2,000
Henry Duncan	-	-	-	5,000
NHS National Services Scotland	-	-	-	10,000
MAD Trust	-	-	-	8,545
SCVO Community Scotland	-	14,677	14,677	2,193
Corra Foundation	-	36,165	36,165	-
Janssen	-	5,000	5,000	-
Peoples Postcode Lottery	-	14,600	14,600	-
Scottish Book Trust	-	500	500	-
Glasgow Caledonian University	2,284	-	2,284	-
Edinburgh Community Health	6,375	-	6,375	-
City of Edinburgh Council	10,000	-	10,000	-
Glasgow City Council	38,004	-	13,061	-
Miscellaneous	800	-	800	11,196
Estee Lauder	15,000	-	15,000	-
Waverley Care	3,000	-	3,000	-
	75,463	265,282	340,745	248,771
	-----	-----	-----	-----
HIV Self-Test Service	53,990	450	54,440	-
	129,453	265,732	395,185	248,771
	=====	=====	=====	=====

## HIV SCOTLAND

## NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2021

5. Expenditure – charitable activities	Pension Fund £	Operations £	Policy £	Camp -aigning £	Capital Fund £	2021 £	2020 £
Staff costs (note 10)	-	89,562	53,738	35,825	-	179,125	140,033
Staff travel and expenses	-	118	70	47	-	235	7,480
Staff development and training	-	405	243	162	-	810	596
Conference and seminar costs	-	1,027	616	410	-	2,053	2,831
Meeting expenses	-	145	87	58	-	290	9,128
Event expenses	-	5,252	3,151	2,101	-	10,504	13,298
Internet/web and office systems costs	-	9,748	-	-	-	9,748	8,723
Advertising	-	6,274	3,764	2,510	-	12,548	9,323
Postage, stationery and photocopying	-	118	71	47	-	236	642
HIV Self-test service costs	-	56,086	-	-	-	56,086	-
Telephone	-	1,811	1,087	725	-	3,623	5,056
Subscriptions	-	1,509	906	604	-	3,019	1,690
Accommodation costs	-	3,539	2,124	1,416	-	7,079	14,363
Professional and consultancy fees	-	23,808	14,285	9,523	-	47,616	19,188
Legal fees	-	10,000	-	-	-	10,000	-
Bank charges	-	447	-	-	-	447	616
Depreciation	-	-	-	-	1,095	1,095	1,167
Repairs and maintenance	-	-	-	-	-	-	167
Volunteer expenses	-	-	-	-	-	-	1,296
Insurance	-	1,227	-	-	-	1,227	1,116
Recruitment	-	-	-	-	-	-	864
Accountancy	-	576	-	-	-	576	2,660
Governance costs (note 6)	-	13,768	-	-	-	13,768	3,524
Miscellaneous expenditure	-	1,164	698	465	-	2,327	1,637
Bad debt expense	-	29,280	-	-	-	29,280	1,750
Pension finance costs	1,315	-	-	-	-	1,315	871
Unidentified expenditure and sums due by former CEO	-	10,649	-	-	-	10,649	-
	1,315	266,513	80,840	53,893	1,095	403,656	248,019
	=====	=====	=====	=====	=====	=====	=====
2020	871	136,004	65,961	44,016	1,167	248,019	
	=====	=====	=====	=====	=====	=====	

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (Continued)****For the year ended 31 March 2021**

<b>6. Fundraising costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs (note 9)	40,778	34,456
National resource development	165	16,845
	-----	-----
	40,943	51,301
	=====	=====

<b>7. Governance costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fee	8,700	3,200
Board consultation and training	40	26
Legal fees	5,028	298
	-----	-----
	13,768	3,524
	=====	=====

<b>8. Net incoming resources for the year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is after charging:		
Depreciation	1,095	1,167
Auditor's remuneration		
Audit fee	8,700	3,200
Other services	576	1,100
	=====	=====

**9. Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

<b>10. Staff costs and numbers</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	199,259	159,397
Social security costs	14,682	12,239
Current year pension contributions	5,962	2,853
	-----	-----
	219,903	174,489
	=====	=====
Split between –		
Fundraising costs (note 6)	40,778	34,456
Charitable activities (note 5)	179,125	140,033
	=====	=====

No employee received remuneration of £60,000 or more in either the current or previous years.

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The average number of employees during the year was as follows:		
Senior management and administrative staff	1	1
Project staff	5	5
	-----	-----
	6	6
	=====	=====

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (Continued)****For the year ended 31 March 2021****10. Staff costs and numbers (continued)**

The Key Management Personnel are defined as the Directors and the Chief Executive. The remuneration of key management personnel in the year was £45,943 (2020: £48,610).

During the year, redundancy payments of £nil (2020: £2,000) were paid to no employees (2020: 1).

No Director received any remuneration for services as a Director (2020: £nil). The Directors were reimbursed a total of £nil in the year in respect of travel expenses for attendance at Board meetings (2020: £nil). No amounts remained outstanding at the year-end (2020: £nil).

<b>11. Fixed assets</b>	<b>Office Equipment £</b>
<b>Cost</b>	
At 1 April 2020	21,527
Additions	-
	-----
At 31 March 2021	21,527
	-----
<b>Depreciation</b>	
At 1 April 2020	18,456
Charged in the year	1,095
	-----
At 31 March 2021	19,551
	-----
<b>Net book value</b>	
At 31 March 2021	1,976
	=====
At 31 March 2020	3,071
	=====

<b>12. Debtors</b>	<b>2021 £</b>	<b>2020 £</b>
Other debtors	83,779	35,506
	=====	=====

<b>13. Creditors: Amounts falling due within one-year</b>	<b>2021 £</b>	<b>2020 £</b>
PAYE and social security	3,784	7,387
Other creditors and accruals	43,911	19,564
Deferred income	-	14,750
	-----	-----
	47,695	41,701
	=====	=====

Deferred income relates to grants received for projects to be undertaken in the following financial year.

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****14. Commitments under operating leases**

At 31 March 2021 the company had total future commitments under operating leases as set out below:

	<b>Land and Buildings</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due in:</b>		
Less than one year	10,125	2,625
More than one year	22,500	-
	-----	-----
	<b>32,625</b>	<b>2,625</b>
	<b>=====</b>	<b>=====</b>

**15. Related party transactions**

During the year to 31 March 2020, the former CEO was advanced funds amounting to of £11,540 and repayments of £5,012 were received leaving a balance due from the CEO of £6,298 at the year-end. During the year to 31 March 2021 the former CEO resigned from his position and following a review by management it was identified that the former CEO had entered into a number of transactions that were not deemed to be in pursuit of the charitable aims of the company and were deemed to be fraudulent. It was also identified that evidence in support of a large number of transactions was not available or provided limited evidence as to the nature of the expenditure. The total of expenditure identified as being fraudulent or not recovered from the former CEO amounted to £10,649 and is detailed in note 5. As disclosed in the Directors' Report, both OSCR and Police Scotland have been made fully aware of these matters.

HIV Scotland is a company limited by guarantee and has no share capital. In the event of the company being wound up, each member has agreed to contribute an amount not exceeding £1 in sterling.

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021**

<b>16. Movement in funds</b>	<b>At 1 April 2020 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>At 31 March 2021 £</b>
<b>Restricted funds</b>					
Scottish Government					
- HIV Scotland	-	80,400	(18,243)	-	62,157
CPG	-	-	(132)	132	-
Gilead	16,170	59,760	(10,305)	-	65,625
Viiv NPS	10,606	25,080	-	-	35,686
Lothian Patients Forum	1,200	-	-	-	1,200
Capital fund	3,071	-	(1,095)	-	1,976
Fife HIV Patients Forum	206	-	-	-	206
Borders patient forum	2,000	-	(215)	-	1,785
Henry Duncan	1,000	-	-	-	1,000
MAD Trust	8,545	-	-	-	8,545
The National Lottery Fund	15,907	26,550	(1,800)	-	40,657
NHS National Services Scotland	10,000	-	-	-	10,000
GCU Resource	-	3,000	-	-	3,000
Scottish Book Trust	-	500	(200)	-	300
Corra Foundation – Wellbeing fund	-	36,165	(2,080)	-	34,085
Janssen	-	5,000	-	-	5,000
Peoples Postcode Lottery	-	14,600	-	-	14,600
SCVO Community Jobs Scotland	-	14,677	(14,677)	-	-
	<b>68,705</b>	<b>265,732</b>	<b>(48,747)</b>	<b>132</b>	<b>285,822</b>
<b>Unrestricted funds</b>					
General fund	25,738	162,963	(394,537)	(7,457)	(213,293)
Pension fund	(55,074)	-	(4,072)	7,325	(51,821)
	<b>(29,336)</b>	<b>162,963</b>	<b>(398,609)</b>	<b>(132)</b>	<b>(265,114)</b>
<b>Total funds</b>	<b>39,369</b>	<b>428,695</b>	<b>(447,356)</b>	<b>-</b>	<b>20,708</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

HIV Scotland – funding from the Scottish Government to deliver the objectives set out in the HIV Scotland Business Plan 2014-2015 and subsequent agreed work plans.

CPG refers to the fund that helped us support, as secretariat, the Scottish Parliament's Cross Party Group on Sexual Health & Blood Borne Viruses

Gilead funding includes support for our work on Fast-Track Cities, developing a Quality of Life survey for people living with HIV, and providing wellbeing support for people living with HIV throughout COVID-19.

MACAIDS funding includes support for our staff team to continue work on HIV in Primary Care, our important work on educating young people, and improving access to PrEP.

National Patient Survey and Viiv NPS - The National Patient Survey is a peer-led project that aims to deliver innovative solutions for services to meet the needs of people living with HIV. Through peer-to-peer interviews, the project will highlight the unmet needs to improve access to treatment, care, and support to ensure well-being and health. We want to make sure that people living with HIV are put front and centre when it comes to their treatment and care, and only by conducting interviews and surveys can we properly assess their needs and improve services

Lothian HIV Patients Forum – Holding funds for the Lothian HIV Patient Forum.

## **HIV SCOTLAND**

### **NOTES to the FINANCIAL STATEMENTS (continued)**

#### **For the year ended 31 March 2021**

#### **16. Movement in funds (continued)**

Network for Social Change – funding from Network for Social Change to support *SHAFTED?!*, a not-for-profit partner association, in carrying out workshops and mentoring schemes across the UK to tell true life stories of people living with and affected by the HIV virus and to raise public awareness in response to cuts to services, rises in transmission and a general belief that HIV/AIDS was resolved in the 1980s.

The Capital fund – this represents the net book value of assets. The transfer from general reserves represents the additions during the year.

Fife HIV Patients Forum – Holding funds for the Fife HIV Patient Forum.

Anti-Stigma Strategy – Funding to take forward work relating to the HIV Anti-Stigma Strategy.

Borders HIV Patients Forum – HIV Scotland now supports the Borders HIV Patients Forum by providing simple banking services to allow it to operate.

Henry Duncan Grant provides support for our Living Well:50+ project, including providing life coaching services to people living with HIV.

MAD Trust's grant provided funding for our work on educating young people about HIV, including our partnership with Young Scot.

The National Lottery Fund's support backs the Positive Person's Forum, National Advisory Network of people living with HIV, and new Advisory networks for Women, and PrEP. It also supports our general community engagement work to ensure the voices of people living with HIV are heard by decision makers.

NHS National Services Scotland sponsored the Sex, Drugs & Scotland's Health conference, as well as our Long Time No Syphilis campaign.

SCVO Community Jobs Scotland funding has allowed the organisation to employ administrative support.

Corra Foundation – Funding from the Corra foundation links to an extension from the Henry Duncan Grant, live from 2016 – 2018. The grant was approved to support the Living Well: 50+ project, to create new and lasting partnerships between the HIV, ageing, and social care communities, providing support to those affected by HIV to live long and healthy lives. The funding was broken down into operational costs, such as staff time, and online & print materials to support the project.

Scottish Book Trust - a.Digital Story Telling Residency CPD: 5 residencies hosted by 5 library services in Scotland, using personal digital storytelling to build digital skills, confidence and community connections. In addition, the project will encourage individuals to feel, by sharing their personal stories, that they are part of a wider community.

Peoples Postcode Lottery - a.Project looking at HIV and employment – ongoing. This project aims to identify and develop interventions to address HIV stigma and discrimination in the workplace.

Janssen - Funding allocated from Janssen to support the charity to survive through the COVID-19 pandemic. Additional funding was made available to those supporting healthcare and HIV Scotland injected this funding into staff costs following a reduction in government funding to the charity, and many other organisations throughout covid.

GCU Resource - a.Funding to support the sharing and dissemination of PReP information and E-learning through webinars. Optimisation of the details and information required staff time which the core funding was applied to, including the Policy & Research Lead, Comms & Events Lead, and Social Media Assistant. Further funding was applied to paid promotion, widening and elevating the exposure of the service.

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****16. Movement in funds (continued)****2020 Comparative:**

	<b>At 1 April 2019 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>At 31 March 2020 £</b>
<b>Restricted funds</b>					
Scottish Government					
- HIV Scotland	-	100,500	(109,294)	8,794	-
CPG	1,385	3,000	(4,385)	-	-
Gilead	25,855	60,574	(70,259)	-	16,170
MAC AIDS	-	20,000	(20,000)	-	-
National Patient Survey	13,915	-	(13,915)	-	-
Viiv NPS	9,302	19,606	(18,302)	-	10,606
Lothian Patients Forum	1,200	-	-	-	1,200
Network for social change	1,715	-	(1,715)	-	-
Capital fund	3,050	-	(1,167)	1,188	3,071
Fife HIV Patients Forum	206	-	-	-	206
Anti-Stigma	2,000	-	(2,000)	-	-
Borders patient forum	-	2,000	-	-	2,000
Henry Duncan	-	5,000	(4,000)	-	1,000
MAD Trust	-	8,545	-	-	8,545
The National Lottery Fund	-	26,157	(10,250)	-	15,907
NHS National Services Scotland	-	10,000	-	-	10,000
SCVO Community Jobs Scotland	-	2,193	(2,193)	-	-
	<b>58,628</b>	<b>257,575</b>	<b>(257,480)</b>	<b>9,982</b>	<b>68,705</b>
<b>Unrestricted funds</b>					
General fund	38,884	44,916	(40,969)	(17,093)	25,738
Pension fund	(63,609)	-	1,424	7,111	(55,074)
	<b>(24,725)</b>	<b>44,916</b>	<b>(39,545)</b>	<b>(9,982)</b>	<b>(29,336)</b>
<b>Total funds</b>	<b>33,903</b>	<b>302,491</b>	<b>(297,025)</b>	<b>-</b>	<b>39,369</b>

<b>17. Analysis of net assets between funds</b>	<b>Un restricted £</b>	<b>Restricted £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	1,976	1,976
Current assets	(165,598)	283,846	118,248
Current liabilities	(47,695)	-	(47,695)
Pension liability	(51,821)	-	(51,821)
	<b>(265,114)</b>	<b>285,822</b>	<b>20,708</b>

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****17. Analysis of net assets between funds (continued)****2020 Comparative:**

<b>Analysis of net assets between funds</b>	<b>Un restricted £</b>	<b>Restricted £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	3,071	3,071
Current assets	25,738	107,335	133,073
Current liabilities	-	(41,701)	(41,701)
Pension liability	(55,074)	-	(55,074)
	-----	-----	-----
	(29,336)	68,705	39,369
	=====	=====	=====

**18. Pensions**

HIV Scotland participates in the Scottish Voluntary Sector Pension Scheme ("the Scheme"), a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Following the introduction of FRS 102 SORP, there is a requirement to disclose the Net Present value of agreed deficit contributions and full details are included on the following page.

	<b>2021 £</b>	<b>2020 £</b>
<b>Reconciliation of opening and closing provisions:</b>		
Provision at beginning of the year	55,074	63,609
Unwinding of the discount factor (interest expense)	1,315	871
Deficit contribution paid	(7,325)	(7,111)
Remeasurements – impact of change in assumptions	2,757	(2,295)
Remeasurements – amendments to the contributions schedule	-	-
	-----	-----
Provision at end of the year	51,821	55,074
	=====	=====

	<b>2021 £</b>	<b>2020 £</b>
<b>Income and expenditure impact:</b>		
Interest expense	1,315	871
Remeasurements – impact of any change in assumptions	2,757	(2,295)
Remeasurements – amendments to the contributions schedule	-	-
	-----	-----
Costs recognised in income and expenditure account	4,072	1,424
	=====	=====

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****18. Pensions (continued)**

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit Contributions**

From 1 April 2022 to 31 May 2024: £1,507,960 per annum  
(payable monthly and increasing by 3% each on 1<sup>st</sup> April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 April 2019 to 30 September 2026: £1,404,638 per annum  
(payable monthly and increasing by 3% each on 1<sup>st</sup> April)

From 1 April 2019 to 30 September 2027: £136,701 per annum  
(payable monthly and increasing by 3% each on 1<sup>st</sup> April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme'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. Therefore, the amount of the debt depends on many factors including total Scheme liabilities, Scheme 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. The amounts of debt can be volatile over time.

The Directors have no intention of withdrawing from the scheme and no security has been provided in respect of the potential liability.

HIV Scotland also contributes to defined contribution schemes on behalf of employees. Contributions to the schemes are independently administered by an insurance company. The pension cost charge represents contributions payable by the company to the schemes and amounted to £2,801 (2020: £1,937). At the year end the company had outstanding contributions totalling £954 (2020: £255).

**HIV SCOTLAND****NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****19. Going concern**

At the end of March 2020, the UK went into national lockdown as a result of the Covid-19 pandemic. This forced HIV Scotland to work from home and adopt remote working techniques. Most of HIV Scotland's services have been able to continue using video conferencing for their training needs and other workshops. The organisation has been able to continue existing support for people living with HIV, and develop new services to provide at home HIV self-testing. These new services have built resilience in the organisation with increased funding. The next 12 months will have significant challenges to maintain funding as we recover from the pandemic.

Funding from the Scottish Government has been confirmed up to the year ended 31 March 2023, when the current funding agreement is set to expire. Although it is anticipated that Government funding will be extended to March 2024, HIV Scotland have not received confirmation of this. Based on the projections and other funding applications and awards, and assuming an extension is granted, the Board remain satisfied that it is appropriate to prepare the financial statements on a going concern basis.

<b>20. Prior year Statement of Financial Activities</b>	<b>Un-restricted Funds £</b>	<b>Restricted Funds £</b>	<b>2020 Total Funds £</b>
<b>Income</b>			
Donations	33,593	20,000	53,593
Charitable activities			
Grant income	11,196	237,575	248,771
Investments	127	-	127
<b>Total income</b>	<b>44,916</b>	<b>257,575</b>	<b>302,491</b>
<b>Expenditure</b>			
Fundraising costs	24,301	27,000	51,301
Charitable activities	17,539	230,480	248,019
<b>Total expenditure</b>	<b>41,840</b>	<b>257,480</b>	<b>299,320</b>
<b>Net income</b>	<b>3,076</b>	<b>95</b>	<b>3,171</b>
Transfers between funds	(9,982)	9,982	-
	(6,906)	10,077	3,171
<b>Other recognised gains/(losses)</b>			
Actuarial gains on pension scheme	2,295	-	2,295
<b>Net movement in funds</b>	<b>(4,611)</b>	<b>10,077</b>	<b>5,466</b>
<b>Reconciliation of funds</b>			
Fund balances brought forward at 1 April 2019	(24,725)	58,628	33,903
<b>Fund balances carried forward at 31 March 2020</b>	<b>(29,336)</b>	<b>68,705</b>	<b>39,369</b>