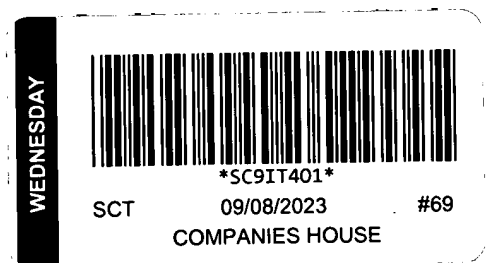


VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A Company limited by guarantee, not having a share capital)

REPORT and FINANCIAL STATEMENTS

for the year to 31 March 2023



Reg. No. SC106743

Scottish Charity No. SC013740

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(a Company limited by guarantee, not having a share capital)
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VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of Volunteer Development Scotland for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The company also operates under the name Volunteer Scotland and is referred to within this report as VDS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC106743

Registered Charity number

SC013740

Registered office

Jubilee House
Forthside Way
Stirling
FK8 1QZ

Trustees

Mark Armstrong

Emma Cormack

David Field

Lynne Harrison

Janette Mitchell

(Resigned 25 April 2023)

Paul Okroj, Chair

Selina Ross

Elizabeth Taylor

Fiona Watson

(Resigned 11 May 2023)

Rosie Wylie

Narek Bido

(Resigned 6 April 2022)

Angela Mitchell

(Resigned 19 April 2022)

Christopher Thomson

(Appointed 23 November 2022, Resigned 24 March 2023)

Ashleigh Kelly

(Appointed 23 November 2022)

Robert Rogerson

(Appointed 23 November 2022)

Shona Benton

(Appointed 23 November 2022)

Company Secretary

Alan Stevenson

Leadership

Alan Stevenson, Chief Executive

Kenneth Stirratt, Head of Corporate Services

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)**Auditors**

Dickson Middleton
Chartered Accountants & Statutory Auditors
20 Barnton Street
Stirling
FK8 1NE

Bankers

The Royal Bank of Scotland
Stirling
FK8 2EA

Solicitors

WorkNest
Kintyre House
205 West George Street
Glasgow
G2 2LW

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

OUR PURPOSES AND ACTIVITIES

The **vision** of Volunteer Development Scotland (VDS) is for 'more people volunteering, regularly, enjoyably and safely'. We seek to ensure our strategic aims are delivered whereby we help create a Scotland where everyone can volunteer, more often, and throughout their lives.

We work with members and stakeholders to contribute to Scotland's five volunteering outcomes (with their alignment to wider societal impact and the National Performance Framework), namely: Inclusive volunteering, Policy impact, Community development, Recognition & Celebration and Lifelong Engagement. We do this through **leading on the delivery of Scotland's Volunteering Action Plan** with outcomes in:

- increasing volunteering participation;
- widening access to volunteering;
- listening to volunteers;
- supporting provision of quality volunteer experiences;
- promoting visibility of volunteering and benefits of volunteering;
- promoting value of lived experience towards more inclusive volunteering

These outcomes are associated with our commitment to:

- our core activities related to provision of a national advice centre and supporting research
- the Fair Work First criteria
- a just transition to Net Zero for our organisation and those we influence
- strategically plan for how we'll work to support sustainable public services
- working with the Scottish Government to develop improved approaches to: Tackling inequalities; Monitoring, reporting and demonstrating impact; Generating evidence on the Third Sector; Collaborating across programmes and organisations to support the sector effectively; and Quality assurance

We also seek to offer excellent services and support around **disclosures** that improve safeguarding and reduce risk for organisations and individuals.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

OUR ACHIEVEMENTS AND PERFORMANCE

The last financial year has been rewarding in terms of our impact and outcomes. Major achievements are as follows:

- We reinforced our position as the lead agency for volunteering in Scotland. This was reflected in the positive results from our Stakeholder Survey. We have revised our values (Collaborative Accountable Respectful Effective Supportive) and are taking action to live these values across the organisation.
- We developed our **Organisation Strategy** (with Board and executive team input) and disseminated our plans to our Funder(s) - much of this work also got under way in this period.
- Our **Governance** has improved, culminating in a positive Governance Review (undertaken by Brodies). We have also been quick to address areas of improvement. All regulatory requirements have been met and risk management processes embedded.
- We represent the voice and interests of Scotland's spectrum of volunteers, from informal to formal. As part of our wider policy work¹, we've established a **Policy Champions Network** as a new way for the sector to increase the visibility and presence of volunteering in local and national policy and to influence policy teams across the Scottish Government and wider public sector.
- The work of our **Research** team² continues to be widely quoted and shared. We were amongst the first in the UK to publish evidence on the Cost of Living Crisis as it affects volunteering and we continue to address this gap in understanding. This includes the 'Testing our Resilience' Report and subsequent quarterly bulletins.
- Our promotion of volunteering includes our pivotal role in leading national campaigns, the largest being **Volunteers' Week** - which takes place between 1st and 7th June. Each year we've increased the reach and impact of this annual campaign. We've also embedded a collegiate approach to national campaign management and developed a set of branded assets which are now used UK-wide.
- As lead organisation for the implementation of the **Volunteering Action Plan**³ we drove the implementation of the Plan - often working with partners and stakeholders - and met our funder's expectations around progress.
- We help organisations to improve their **volunteering practice**⁴. This includes providing the Volunteer Friendly Award and Investing in Volunteers (IiV) standard in Scotland. This year we took an entire council through the IiV standard - a first.
- Our **Disclosure Services** Team facilitate access to disclosure checks for qualifying organisations within the voluntary sector, enabling them to avoid recruiting unsuitable people to volunteer with Children and Protected Adults. This year we met our performance targets including, most notably, the service level agreement for application processing - which we exceeded despite reducing our resource base.

¹ Our Policy work <https://www.volunteerscotland.net/policy>

² Our Research <https://www.volunteerscotland.net/research-evaluation/research-publications>

³ The Volunteering Action Plan <https://volunteeringactionplan.co.uk/>

⁴ Our Volunteer Practice services <https://www.volunteerscotland.net/volunteer-practice>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

Plans for future periods

A lot has been achieved in the last 12 months, but we cannot rest on our laurels. We look forward to supporting the rollout of the Volunteering Action Plan in year two of its 10-year life. We are focused on delivering on our grant funding agreements and continuing to implement our organisation strategy, with a focus on the following:

- Increased income generation activities in order to diversify our funding sources
- Planned improvements to our engagement with key stakeholders
- Dissemination of an agreed Membership Offer and increased Member engagement
- Service improvements around our Disclosure Services
- Making improvements based on this year's Stakeholder Survey
- Our IIP recommendations being developed further and then embedded in our Corporate Plan
- Our Learning & Development Plan being issued and actioned

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 basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. At 31 March 2023 VDS holds total reserves of £1,986,652 (2022: £2,155,146) however we recognise some potential risks identified and we have designated reserve funds to meet these events. VDS may require to utilise some of this reserve balance in the short term to overcome income downturns or cost increases which are anticipated. We do not expect any negative impacts from our main core funders which account for the main source of funding of VDS.

Reserves policy

The Reserves Policy adopted by the Board is based on the major risks facing the organisation. The level of reserves is monitored by the Trustees on a quarterly basis and at 31 March 2023 the general reserves stood at £986,167 (2022: £979,838). This amount represents a target coverage of 3-6 months business operational costs which we deem to be a reasonable amount of reserves for an organisation of this size.

We have also identified specific cost streams which we have designated funds to cover the likelihood of incurring. These designated funds amount to £301,000 (2022: £298,000).

In addition, Volunteer Development Scotland (VDS) has longer term liabilities which require reserve coverage and which will allow business decisions to be made should they be required. VDS has a mortgage on Jubilee House as well as a liability on pension scheme debt on withdrawal from this scheme. Adequate level of reserves allow decisions to be made on early payment of both.

Restricted reserves at 31 March 2023 stood at £13,749 (2022: £12,695) and this represents funds which have been received and restricted for specific projects. The value of this funding is variable and is dependent upon funding received and any restrictions stipulated in the funding offer.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

Principal funding sources

VDS receives funding from the Scottish Government's Third Sector Unit and is accountable for our core activities to that body. Volunteer Scotland Disclosure Services are funded by Disclosure Scotland on behalf of Scottish Ministers.

This backbone of grant funding allows VDS to explore other sources of income; the Board and leadership team are fully committed to diversifying income streams.

The principal business risk relates to our ongoing relationship with our main funders; Scottish Government and Disclosure Scotland. Funding has been agreed for 2023-24.

During 2022-2023, VDS identified the risks to future funding from factors outside its control and sought to mitigate these risks where possible. VDS continued to work closely with both of its main funders to understand the impacts of the cost of living crisis, inflationary increases and public sector funding pressures, on current and future grants, service levels and performance. VDS received a reduced grant from one funder (based on a smaller cost base (reduced in 22-23) and a 4% increase in grant from the other. Both grants are received on a single year basis.

Investment powers

A To invest funds not immediately required for the purpose of its day to day activities in such manner as may from time to time be considered advantageous subject to compliance with any applicable legal and governance requirements.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2006. A revision of the company's Memorandum and Articles of Association was passed through a special resolution at the company's AGM on 23rd November 2022 and the updated Articles were subsequently adopted.

The revised Articles provide updates to ensure compliance with recent changes in charity and company law and update references to organisational structure and terminology. Additionally, the revisions affirm the governance procedures currently operated by the organisation in such areas as membership administration, convening of and voting at general meetings and Trustees' responsibilities, recruitment and tenure.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

Methods 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 the Board of Trustees. The maximum number of Trustees will be 15, of whom a minimum of at least half shall be Member Trustees (Trustees who represent VDS member organisations or are individual VDS members).

Each Trustee appointed with effect from an annual general meeting shall serve a term of office until the third annual general meeting following the meeting from which they were appointed (a Term). All Trustees shall be eligible to serve a maximum of two consecutive Terms (excluding any period during which they served as a co-opted Trustee in advance of their appointment at an annual general meeting).

Trustee Induction and Board Development

Volunteer Development Scotland (VDS) is committed to providing a clear and comprehensive welcome and induction for all new Trustees by means of a formal induction and on boarding programme which ensures that they are able to take up their appointment as effectively as possible.

Current Trustees have a variety of professional backgrounds and skills relevant to the work of our organisation.

Ongoing training and development of our Trustees is integral to ensuring that our Board has access to a wide ranging and appropriate range of skills and expertise. All Trustees have regular one to ones with the Chair where opportunities for progression and development are discussed. Additionally, a formalised Board Development Programme will be implemented in 2023.

Governance structure and decision-making processes

VDS holds at least four Board of Trustees meetings a year, Committee meetings and their Annual General meeting. Only the Trustees have voting rights as indicated in the Articles of Association.

A Finance Audit and Risk (FAR) Committee and a Governance Committee meet separately, with delegated responsibilities from the Board. The work of each Committee ensures that there is due diligence, a consistent framework for performance accountability, financial scrutiny and risk management in all financial and governance matters. All Committee papers are shared with the full Board in addition to Committee members (based on a Board Paper Issuance Schedule) and the Chairs of each committee report directly to the Board of Trustees on a quarterly basis through a Committee update, making recommendations and highlighting areas for further scrutiny and decision-making.

The following staff are present at Board meetings from the executive team: the CEO, the Head of Corporate Services, the HR manager, the Executive Admin & Governance Officer and other staff or observers (as appropriate). The CEO and the Head of Corporate Services offer the key executive support to the FAR Committee.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

RISK MANAGEMENT

The Trustees have reviewed the main risks to the company and are satisfied that systems are in place to mitigate those risks. The cost of living crisis, inflationary increases and the public sector funding pressures increased strategic and operational risk for the organisation, requiring additional controls and mitigating actions.

Strategic Risks

The Board oversees the strategic risks of the organisation. The Board Risk Register is reviewed at the start and end of every Board meeting to ensure full and meaningful consideration. The Finance, Audit and Risk (FAR) Committee and the Governance Committee also review a subset of these risks (pertinent to their scope) at each quarterly Committee meeting and each makes subsequent recommendations to the Board.

Operational Risks

The Senior Leadership Team (SLT) manage the operational risks of the organisation. The Operational Risk Register is reviewed monthly as part of a Senior Leadership Team Meeting. A summary update is provided to the Board through the CEO Report at each Board Meeting.

Risks are described and scored for likelihood and impact and mitigating actions recorded and planned. Risk owners typically include Chair or Committees, the CEO and function leads. Mitigating actions are delegated to the lowest level practicable (i.e. where effective action can be taken). Where appropriate, risks can move between registers.

Operational management

The CEO is responsible for the operational management of Volunteer Development Scotland; the Board of Trustees delegate powers to the CEO to make operational and management decisions to ensure the effective day to day running of the organisation.

The Senior Leadership Team (SLT) is comprised of the CEO and functional leads or key representatives across Research & Policy, Partnership & Communications, Volunteer Practice, Disclosure Services and Corporate Services. The SLT are responsible for ensuring that the organisation delivers its planned activity and that performance targets are met. They are also responsible for the engagement of all staff and ensuring that each team continues to develop their skills and working practices in line with our policies and good practice.

VDS carries out associated activities under our Corporate Services function; across the following areas:

Financial management

Business expenditure is effectively controlled against approved budget and any costs must be within the limits set within delegated expenditure authorisation. Bank movements must also be pre-approved by two business signatories neither of whom are finance staff.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

Staff management

Health and safety for our staff and tenants is of paramount importance, particularly in this period of hybrid working and to date we have managed this effectively.

VDS have a number of staff groups e.g. a Health & Wellbeing group has been running for several years. These groups represent the views and interests of wider staff and ensure that our employees contribute to decisions that affect them and in doing so, enhance working practices.

Facility Management

We are based at Jubilee House which we purchased in 2008. VDS staff now operate on a hybrid working arrangement between Jubilee House and 'home working'.

We continue to fully maintain the building. We have an annual and ongoing maintenance programme which ensures that the building continues to be fit for purpose and that costs are minimised. We also share our building with tenants; each has an occupancy agreement (with a length of lease and terms). Our tenants contribute to VDS annual income.

Policy development

We have appropriate Human Resources, Finance and Governance policies in place which are recorded within a central Policy Register. These policies are regularly reviewed both internally and by the responsible Board Committee. Our Committees thereafter report quarterly to our Board of Trustees on any updates agreed at review. This procedure demonstrates the organisation's compliance with its duties and responsibilities both legally, and in ensuring the wellbeing and welfare of all individuals who work for and volunteer with our organisation. All policies are easily accessible to our staff and volunteers.

Pay policy for key management personnel

The Leadership Team follows the same principles of all other staff in VDS.

To ensure the motivation of staff and their retention, VDS will undertake a regular review of market rates at least every three years to ensure that posts at all levels are aligned with external salaries in similar/equivalent organisations .

This work will coincide with business planning activities. The decision to implement any changes to salaries and terms and conditions of employment, following such an exercise, will depend on the organisation's ability to pay.

The system ensures that a fair and consistent approach is applied to determine the grade of a post within the organisation. The job evaluation scheme will be reviewed, based on best practice periodically to ensure that it continues to be in line with organisational objectives and values.

Where significant changes occur to roles and responsibilities, posts will be reviewed and evaluated accordingly to make appropriate adjustments to salaries, in line with internal differentials and external market rates.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Report of the Trustees for the year ended 31 March 2023 (continued)

Related party relationships

VDS 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.

Volunteer Services Disclosure Services (VSDS) is a function of VDS (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 for volunteering, VDS holds a unique leadership position in developing, enabling, influencing and driving growth in volunteering nationally and internationally.

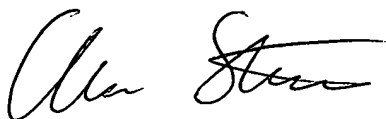
Trustees' responsibilities

The Trustees (who are also the directors of the company 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 company and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Approved by order of the members of the board of Trustees and signed on their behalf by:



A Stevenson
Secretary

26 07 2023

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Independent Auditor's Report to the Trustees and Members

of VOLUNTEER DEVELOPMENT SCOTLAND LIMITED for the year ended 31st March 2023

Opinion

We have audited the financial statements of VOLUNTEER DEVELOPMENT SCOTLAND LIMITED (the 'charitable company') for the year ended 31st March 2023 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Independent Auditor's Report to the Trustees and Members

of VOLUNTEER DEVELOPMENT SCOTLAND LIMITED for the year ended 31st March 2023

(continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Independent Auditor's Report to the Trustees and Members

of VOLUNTEER DEVELOPMENT SCOTLAND LIMITED for the year ended 31st March 2023

(continued)

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant unusual transactions and challenging judgements and estimates;
- Reviewing minutes of meetings held by management and those charged with governance to identify any matters including actual or attempted fraud, litigation and noncompliance with laws and regulations;
- Inspecting expenditure incurred in the year while making sure this has been appropriately categorised in the financial statements. This included agreeing a sample from the nominal ledger to purchase invoice while also reviewing post year end transactions and invoices to confirm the completeness of the expenditure was disclosed.

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Independent Auditor's Report to the Trustees and Members

of VOLUNTEER DEVELOPMENT SCOTLAND LIMITED for the year ended 31st March 2023

(continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 opinions we have formed.



Robert Taylor (Senior Statutory Auditor)

**For and on behalf of Dickson Middleton, Chartered Accountants, Statutory Auditors,
20 Barnton Street, Stirling. FK8 1NE.**

Dickson Middleton is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

26 07 2023

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(a company limited by guarantee, not having a share capital)
STATEMENT of FINANCIAL ACTIVITIES
for the year to 31 March 2023

| | Note | Unrestricted Funds £ | Restricted Funds £ | 2023 Total £ | 2022 Total £ |
|--|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Income: | | | | | |
| Donations and legacies | 2 | - | - | - | 500 |
| Charitable activities | 3 | 864,298 | 813,397 | 1,677,695 | 1,688,293 |
| Other trading activities | 4 | 87,409 | - | 87,409 | 110,145 |
| Investments | 5 | 4,109 | - | 4,109 | 2,174 |
| Other Income | 6 | - | - | - | 1,500 |
| Total | | 955,816 | 813,397 | 1,769,213 | 1,802,612 |
| Expenditure: | | | | | |
| Raising funds | 7 | (79,162) | - | (79,162) | (78,145) |
| Charitable activities | | (829,009) | (812,343) | (1,641,352) | (1,481,934) |
| Total | | (908,171) | (812,343) | (1,720,514) | (1,560,079) |
| Net Income/ (expenditure) | | 47,645 | 1,054 | 48,699 | 242,533 |
| Transfers between funds | | - | - | - | - |
| Other Recognised Gains/(Losses) | | | | | |
| Loss on revaluation of investment property | 13 | (217,500) | - | (217,500) | - |
| Gain on multi-employer pension scheme | 25 | 307 | - | 307 | 45,798 |
| Net Movement in Funds | | (169,548) | 1,054 | (168,494) | 288,331 |
| Balances brought forward | | 2,142,451 | 12,695 | 2,155,146 | 1,866,815 |
| Balances carried forward | 20 | 1,972,903 | 13,749 | 1,986,652 | 2,155,146 |

All income and expenditure derive from continuing activities.

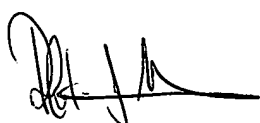
The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 19 to 31 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(a company limited by guarantee, not having a share capital)
BALANCE SHEET
As at 31 March 2023

| | Notes | 2023 | 2022 |
|--|-------|------------------|------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 12 | 1,109,497 | 1,119,607 |
| Investment property | 13 | 220,000 | 437,500 |
| | | <u>1,329,497</u> | <u>1,557,107</u> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 23,685 | 23,892 |
| Investments | 15 | 501,362 | 501,200 |
| Cash at bank and in hand | 22 | 927,605 | 900,201 |
| | | <u>1,452,652</u> | <u>1,425,293</u> |
| CURRENT LIABILITIES | | | |
| Creditors: amounts falling due within one year | 16 | (186,056) | (170,282) |
| NET CURRENT ASSETS | | <u>1,266,596</u> | <u>1,255,011</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,596,093</u> | <u>2,812,118</u> |
| Creditors: amounts falling after more than one year | 17 | (597,975) | (638,939) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | <u>1,998,118</u> | <u>2,173,179</u> |
| Defined benefit pension scheme liability | 25 | (11,466) | (18,033) |
| NET ASSETS | 19 | <u>1,986,652</u> | <u>2,155,146</u> |
| FUNDS | | | |
| Unrestricted Funds: | | | |
| General fund | | 986,167 | 979,838 |
| Designated funds | | 986,736 | 1,162,613 |
| | | <u>1,972,903</u> | <u>2,142,451</u> |
| Restricted Funds: | | | |
| Restricted revenue reserve fund | | 13,749 | 12,695 |
| | | <u>13,749</u> | <u>12,695</u> |
| TOTAL CHARITY FUNDS | 19 | <u>1,986,652</u> | <u>2,155,146</u> |

Approved by the Board of Trustees 26 July 2023 and signed on its behalf by:



.....Trustee
P Okroj, Chair

Company Registration Number: SC106743

The notes on pages 19 to 31 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(a company limited by guarantee, not having a share capital)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

| | 2023 £ | 2022 £ |
|--|--------------------------|------------------|
| Reconciliation of net movement in funds to net cash inflow /(outflow) from operating activities | | |
| Net movement in funds | (168,494) | 288,331 |
| Loss on revaluation of investment property | 217,500 | - |
| Depreciation | 10,110 | 10,110 |
| Decrease in debtors | 207 | 11,976 |
| Interest received | (4,109) | (2,174) |
| Increase/(Decrease) in creditors | 15,774 | (9,649) |
| Decrease in pension deficit | (6,567) | (66,770) |
| Interest Paid | 22,707 | 10,697 |
| Net cash provided by operating activities | 87,128 | 242,521 |
| Cash flows from investing activities | | |
| Interest received | 4,109 | 2,174 |
| Net cash used by investing activities | 4,109 | 2,174 |
| Cash flows from financing activities | | |
| Repayments of borrowing | (40,964) | (53,771) |
| Interest paid | (22,707) | (10,697) |
| Net cash used by in financing activities | (63,671) | (64,468) |
| Decrease in cash and cash equivalents in the year | 27,566 | 180,227 |
| Cash and cash equivalents at the beginning of the year | 1,401,401 | 1,221,174 |
| Cash and cash equivalents at the end of the year | 22 1,428,967 | 1,401,401 |

The notes on pages 19 to 31 form prt of these financial statements

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

General information

The company is a company limited by guarantee and the registered office is Jubilee House, Forthside Way, Stirling, FK8 1QZ. The members of the company are the Trustees named on page 2. 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.

The financial statements have been presented in GBP as this is the functional and presentational currency of the company.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102), the Charities SORP (FRS102) and the Charities Accounts (Scotland) Regulations 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The charity meets the definition of a public entity under FRS 102.

Going concern

The Trustees have considered forecasts for 23/24 and the period beyond and have assessed the levels of confirmed income and the likely impact on other income streams and related expenditure. After considering these forecasts and other available information, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of these accounts. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Incoming resources

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably and is not deferred.

Other income and rental income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies (continued)

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.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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.

Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are considered for capitalisation.

Tangible fixed assets are initially recognised at cost. After recognition tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

Mixed use property is separated between investment property and long leasehold property, unless the fair value of the investment property component cannot be measured reliably, in which case it is included as long term leasehold property. The charity's leasehold property is a mixed use property, and is split between investment property component and fixed assets.

Investments

Investment property held for investment potential is recorded at fair value. Realised and unrealised gains and losses are included in the Statement of Financial Activities. No provision is made for depreciation of investment properties. The Trustees review the carrying value of investment properties at the balance sheet date.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies (continued)

Current asset investments

Monies held on deposit with a maturity date exceeding three months are classed as current asset investments.

Debtors

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

Cash at bank and in hand

Cash at bank and 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.

Liabilities

Liabilities are recognised where the 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 reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Operating leases

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

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.

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.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023

Critical accounting estimates and areas of judgement

In the application of the charitable company's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The investment property is included in the accounts at a valuation and is reviewed by the Trustees using information from a valuation carried out by third party surveyors. The Trustees review the carrying value of the property at the balance sheet date. This involves an assessment of the information from third parties and the market.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial statements

for the year ended 31 March 2023 (continued)

2. Income from donations and legacies

| | 2023 | 2022 |
|-----------|-------------|-------------|
| | £ | £ |
| Donations | - | 500 |
| | - | 500 |

3. Income from charitable activities

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Grants | 1,615,334 | 1,593,000 |
| Other income | 62,361 | 95,293 |
| Income from charitable activities | 1,677,695 | 1,688,293 |

| Grants | 2023 | 2022 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Disclosure Scotland | 807,334 | 783,000 |
| Scottish Government: Police Scotland | 8,000 | 10,000 |
| Scottish Government | 800,000 | 800,000 |
| Total | 1,615,334 | 1,593,000 |

4. Income from other trading activities

| | 2023 | 2022 |
|--------------------|---------------|----------------|
| | £ | £ |
| Rent and room hire | 87,409 | 110,145 |
| Total | 87,409 | 110,145 |

5. Investment income

| | 2023 | 2022 |
|-------------------|--------------|--------------|
| | £ | £ |
| Interest received | 4,109 | 2,174 |
| Total | 4,109 | 2,174 |

6. Other income

| | 2023 | 2022 |
|--------------|-------------|--------------|
| | £ | £ |
| Other income | - | 1,500 |
| Total | - | 1,500 |

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial statements

for the year ended 31 March 2023 (continued)

7. Analysis of expenditure on charitable activities

| | Basis of Apportionment | Raising Funds £ | Charitable Activities £ | 2023 Total £ |
|--|-----------------------------------|--------------------------------|--|-----------------------------|
| Staff costs | Staff time | 79,162 | 1,161,041 | 1,240,203 |
| Staff training | | - | 6,796 | 6,796 |
| Printing and postage | | - | 771 | 771 |
| Subscriptions | | - | 2,334 | 2,334 |
| Professional fees | | - | 57,554 | 57,554 |
| Advertising, PR and digital | | - | 3,990 | 3,990 |
| Meetings and seminars | | - | 4,346 | 4,346 |
| Subcontractors costs | | - | 25,605 | 25,605 |
| Volunteer costs | | - | - | - |
| Police checks | | - | 4,852 | 4,852 |
| Unwinding of discount | | - | 340 | 340 |
| | | 79,162 | 1,267,629 | 1,346,791 |
| Support costs allocated to activities | | | | |
| Support costs | 8 | - | 253,673 | 253,673 |
| Governance costs | 8 | - | 120,050 | 120,050 |
| | | 79,162 | 1,641,352 | 1,720,514 |

| | Basis of Apportionment | Raising Funds £ | Charitable Activities £ | 2022 Total £ |
|--|-----------------------------------|--------------------------------|--|-----------------------------|
| Staff costs | Staff time | 78,145 | 1,082,192 | 1,160,337 |
| Staff training | | - | 3,890 | 3,890 |
| Printing and postage | | - | 76 | 76 |
| Subscriptions | | - | 3,330 | 3,330 |
| Professional fees | | - | 41,632 | 41,632 |
| Advertising, PR and digital | | - | 9,968 | 9,968 |
| Meetings and seminars | | - | 680 | 680 |
| Subcontractors costs | | - | 63,389 | 63,389 |
| Volunteer costs | | - | 9,818 | 9,818 |
| Police checks | | - | 5,709 | 5,709 |
| Unwinding of discount | | - | 489 | 489 |
| | | 78,145 | 1,221,173 | 1,299,318 |
| Support costs allocated to activities | | | | |
| Support costs | 8 | - | 226,821 | 226,821 |
| Governance costs | 8 | - | 33,940 | 33,940 |
| | | 78,145 | 1,481,934 | 1,560,079 |

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial statements

for the year ended 31 March 2023 (continued)

8. Allocation of Support & Governance Costs

| | Basis of Apportionment | Support Costs £ | Governance Costs £ | 2023 Total £ |
|--------------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|
| Depreciation | | 10,110 | - | 10,110 |
| Staff training | | 8,870 | - | 8,870 |
| Printing and postage | | 15,392 | - | 15,392 |
| Office maintenance | | 39,429 | - | 39,429 |
| IT hardware and software | | 81,661 | - | 81,661 |
| Rates | | 11,620 | - | 11,620 |
| Electricity and gas | | 20,835 | - | 20,835 |
| Telephone | | 16,073 | - | 16,073 |
| Leasing costs | | 3,456 | - | 3,456 |
| Insurance | | 20,376 | - | 20,376 |
| Sundries | | 3,144 | - | 3,144 |
| Loan interest | | 22,707 | - | 22,707 |
| Legal costs | | - | 11,038 | 11,038 |
| Staff costs | Staff time | - | 79,162 | 79,162 |
| Governance costs | | - | 21,150 | 21,150 |
| Auditor remuneration | | - | 8,700 | 8,700 |
| | | 253,673 | 120,050 | 373,723 |

Support costs allocated to activities

| | | | |
|-----------------------|----------------|----------------|----------------|
| Charitable activities | 253,673 | 120,050 | 373,723 |
| Raising funds | - | - | - |
| | 253,673 | 120,050 | 373,723 |

| | Basis of Apportionment | Support Costs £ | Governance Costs £ | 2022 Total £ |
|--------------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|
| Depreciation | | 10,110 | - | 10,110 |
| Staff training | | 3,232 | - | 3,232 |
| Printing and postage | | 16,009 | - | 16,009 |
| Office maintenance | | 38,559 | - | 38,559 |
| IT hardware and software | | 87,254 | - | 87,254 |
| Rates | | 8,802 | - | 8,802 |
| Electricity and gas | | 12,879 | - | 12,879 |
| Telephone | | 15,399 | - | 15,399 |
| Leasing costs | | 4,414 | - | 4,414 |
| Insurance | | 17,740 | - | 17,740 |
| Sundries | | 2,215 | - | 2,215 |
| Loan interest | | 10,208 | - | 10,208 |
| Legal costs | | - | - | - |
| Staff costs | Staff time | - | 23,680 | 23,680 |
| Governance costs | | - | - | - |
| Auditor remuneration | | - | 10,260 | 10,260 |
| | | 226,821 | 33,940 | 260,761 |

Support costs allocated to activities

| | | | |
|-----------------------|----------------|---------------|----------------|
| Charitable activities | 226,821 | 33,940 | 260,761 |
| Raising funds | - | - | - |
| | 226,821 | 33,940 | 260,761 |

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial statements

for the year ended 31 March 2023 (continued)

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| 9. Net Income/(expenditure) for the year | | |
| Net Income/(expenditure) for the year is stated after charging | | |
| Auditors remuneration | | |
| Audit | 8,700 | 10,260 |
| Other | - | - |
| Operating lease rentals | 3,456 | 4,414 |
| Depreciation of fixed assets | 10,110 | 10,110 |
| | | |
| | 2023 £ | 2022 £ |
| 10. Staff Costs | | |
| Staff employment costs - | | |
| Salaries | 1,119,360 | 1,018,916 |
| Employer's NIC | 112,648 | 92,407 |
| Employer's pension contributions | 87,357 | 72,693 |
| | 1,319,365 | 1,184,016 |
| | | |
| Average staff numbers | 38 | 39 |

2 employees had employee benefits in excess of £60,000 (2022: 1).

The total employee benefits of the key management personnel were £170,094 (2022: £154,147). This comprises 2 employees (2022: 2).

11. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 (2022: £nil).

Trustees' Expenses

Expenses reimbursed in the year to Trustees' amounted to £855 (2022: £42).

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023 (continued)

12. Fixed Assets
Tangible assets

| | Long-term leasehold property £ | Office equipment £ | Computer equipment £ | Total £ |
|---------------------------|---|--------------------------|----------------------------|------------------|
| Cost: | | | | |
| At 1 April 2022 | 1,263,396 | 48,714 | 49,512 | 1,361,622 |
| Additions during the year | - | - | - | - |
| Disposals during year | - | - | - | - |
| At 31 March 2023 | 1,263,396 | 48,714 | 49,512 | 1,361,622 |
| Depreciation: | | | | |
| At 1 April 2022 | 143,789 | 48,714 | 49,512 | 242,015 |
| Provided during the year | 10,110 | - | - | 10,110 |
| Disposals during year | - | - | - | - |
| At 31 March 2023 | 153,899 | 48,714 | 49,512 | 252,125 |
| Net book value | | | | |
| 31 March 2023 | 1,109,497 | - | - | 1,109,497 |
| 31 March 2022 | 1,119,607 | - | - | 1,119,607 |

13. Investment Property

| | Long term Leasehold Investment Property £ |
|--------------------------------------|---|
| Valuation | |
| At 1 st April 2022 | 437,500 |
| Impairment | (217,500) |
| Valuation | |
| at 31st March 2023 | 220,000 |

The investment property was valued at 30th March 2023 by an independent valuer with a recognised and relevant professional qualification, Falconer Property Consultants, on the basis of fair value in accordance with the RICS valuation Professional Standards.

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| 14. Debtors: Amounts falling due within one year | | |
| Debtors | 4,306 | 4,185 |
| Prepayments and accrued income | 19,379 | 19,707 |
| | 23,685 | 23,892 |

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023 (continued)

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

15. Current asset investments

| | | |
|------------------------|----------------|----------------|
| Monies held on deposit | <u>501,362</u> | <u>501,200</u> |
|------------------------|----------------|----------------|

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

16. Creditors: Amounts falling due within one year

| | | |
|------------------------------------|----------------|----------------|
| Bank loans | 45,786 | 53,555 |
| Trade creditors | 14,308 | 26,222 |
| Other taxation and social security | 28,300 | 19,759 |
| Other creditors | 20,220 | 17,315 |
| Accruals | 56,041 | 39,356 |
| Deferred income | 21,401 | 14,075 |
| | <u>186,056</u> | <u>170,282</u> |

Deferred income includes income, invoiced in advance of the completion of the work, relating to other Income within charitable activities.

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

17. Creditors: Amounts falling after more than one year

| | | |
|------------|---------|---------|
| Bank loans | 597,975 | 638,939 |
|------------|---------|---------|

Included within the above are amounts falling due as follows;

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

Between one and two years

| | | |
|------------|---------------|---------------|
| Bank loans | <u>45,786</u> | <u>53,555</u> |
|------------|---------------|---------------|

Between two and five years

| | | |
|------------|----------------|----------------|
| Bank loans | <u>268,625</u> | <u>223,835</u> |
|------------|----------------|----------------|

Over five years

| | | |
|------------|----------------|----------------|
| Bank loans | <u>329,349</u> | <u>415,104</u> |
|------------|----------------|----------------|

The aggregate amount of the liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

| | | |
|-------------------------------------|----------------|----------------|
| Payable or repayable by instalments | <u>329,349</u> | <u>415,104</u> |
|-------------------------------------|----------------|----------------|

The property at Stirling Baracks, Forthside, Stirling is secured by a first legal mortgage with Triodos Bank NV.

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
|--|-----------|-----------|

18. Financial Instruments**Financial Assets**

| | | |
|---|----------------|----------------|
| Financial assets measured at fair value through income and expenditure. | <u>220,000</u> | <u>437,500</u> |
|---|----------------|----------------|

Financial assets measured at fair value comprise investment property.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023 (continued)

19. Analysis of net assets between funds

| | Unrestricted | Restricted | 2023 Total Funds | 2022 Total Funds |
|--|------------------|---------------|------------------------|------------------------|
| | £ | £ | £ | £ |
| Fixed assets | | | | |
| Tangible assets | 1,109,497 | - | 1,109,497 | 1,119,607 |
| Investment Property | 220,000 | - | 220,000 | 437,500 |
| | <u>1,329,497</u> | <u>-</u> | <u>1,329,497</u> | <u>1,557,107</u> |
| Current assets | | | | |
| Debtors | 23,685 | - | 23,685 | 23,892 |
| Current asset investments | 501,362 | - | 501,362 | 501,200 |
| Cash at bank and in hand | 913,856 | 13,749 | 927,605 | 900,201 |
| | <u>1,438,903</u> | <u>13,749</u> | <u>1,452,652</u> | <u>1,425,293</u> |
| Current liabilities | | | | |
| Creditors due in less than one year | (186,056) | - | (186,056) | (170,282) |
| Creditors due in more than one year | (597,975) | - | (597,975) | (638,939) |
| Provisions for liabilities and charges | (11,466) | - | (11,466) | (18,033) |
| | <u>(795,497)</u> | <u>-</u> | <u>(795,497)</u> | <u>(827,254)</u> |
| Net Assets/Funds | <u>1,972,903</u> | <u>13,749</u> | <u>1,986,652</u> | <u>2,155,146</u> |

20. Fund Reconciliation

| | At 1 st April 2022 | Net movement in funds | Transfers | At 31 st March 2023 |
|------------------------------|----------------------------------|-----------------------------|-----------|--------------------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| Property fund | 864,613 | (227,610) | 48,733 | 685,736 |
| Pension scheme | 88,000 | - | 3,000 | 91,000 |
| Governance costs | 30,000 | (21,150) | 21,150 | 30,000 |
| Repairs and maintenance fund | 130,000 | - | 50,000 | 180,000 |
| IAVE 2024 | 50,000 | - | (50,000) | - |
| General funds | 979,838 | 79,212 | (72,883) | 986,167 |
| | <u>2,142,451</u> | <u>(169,548)</u> | <u>-</u> | <u>1,972,903</u> |
| Restricted funds | | | | |
| Police Act | 5,735 | 3,195 | - | 8,930 |
| VS Disclosure Services | 2,923 | (2,141) | - | 782 |
| Volunteer support pot | 4,037 | - | - | 4,037 |
| | <u>12,695</u> | <u>1,054</u> | <u>-</u> | <u>13,749</u> |
| Total funds | <u>2,155,146</u> | <u>(168,494)</u> | <u>-</u> | <u>1,986,652</u> |

Property Fund

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 the leasehold property, less the associated property loan.

Police Act

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

VS Disclosure Services

Fund used in connection with provision of appropriate advice, guidance and assistance to users of Disclosure Scotland's services and to countersign signatory applications in accordance with the Police Act 1997 and disclosure requests under the Protection of Vulnerable Groups (Scotland) Act 2007.

Volunteer Support Pot

Fund created in conjunction with Glasgow Life to allow volunteers engaged in a variety of events to receive financial support to enable them to do so.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023 (continued)

21. Leasing Commitments

As at 31st March 2023, the total of the charity's future minimum lease payments under non-cancellable operating leases was:

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| | £ | £ |
| Within one year | 2,592 | 3,456 |
| Between 2 and 5 years | - | 1,728 |
| | 2,592 | 5,184 |

22. Analysis of cash & cash equivalents

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Funds held on deposit | 501,362 | 501,200 |
| Bank accounts | 927,405 | 900,001 |
| Petty cash | 200 | 200 |
| | 1,428,967 | 1,401,401 |

23. Analysis of changes in net debt

| | At 1st April 2022 | Cash flows | Other non-cash changes | 2023 |
|--------------------------|---|-------------------|-----------------------------------|------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 900,201 | 27,404 | - | 927,605 |
| Debt due within 1 year | (53,555) | 48,733 | (40,964) | (45,786) |
| Debt due after 1 year | (638,939) | | 40,964 | (597,975) |
| Liquid investments | 501,200 | 162 | - | 501,362 |
| | 708,907 | 76,299 | - | 785,206 |

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

(a company limited by guarantee, not having a share capital)

Notes to the Financial Statements

for the year ended 31 March 2023 (continued)

24. Contingent Liabilities

The pension withdrawal debt as at 30 September 2022 for Volunteer Development Scotland Limited was £87,675 (30 September 2021 - £172,438).

25. Commitments

Pension commitments

The company participates in a defined contribution scheme and also contributes to personal pension schemes. Contributions payable are charged in the Statement of financial activities as incurred. Contributions of £87,357 were payable (2022 - £72,693). Payments of £11,307 (2022 - £11,773) were due at the year end.

The company also participates in the scheme (TPT Retirement Solutions - The Growth Plan), a multi-employer scheme which provides benefits to some 638 non-associated participating 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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £3.312m per annum (payable monthly and increasing by 3% each on 1st April).

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 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 of £18,304 (2021 - £84,803) 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 of 2.35% (2020 - 0.66%). The unwinding of the discount rate is recognised as a finance cost.

| | 2023 | 2022 |
|---|----------------|-------------|
| | £ | £ |
| Provision at 1 st April 2022 | 18,033 | 84,803 |
| Unwinding of discount factor | 340 | 489 |
| Deficit contribution paid | (6,600) | (21,460) |
| Re-measurement – impact of any change in assumptions | (307) | (416) |
| Re-measurement – amendments to contributions schedule | - | (45,383) |
| Provision at 31 st March 2023 | 11,466 | 18,033 |