

Registered number: SC106743
Charity number: SC013740

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Ms R Harper, Chair
Dr R Jennings, Vice Chair
Mr E Jackson
Mr N Bido
Ms J Gaul
Mr C Horne
Mr B Scott
Mr K Geddes
Ms F Watson (appointed 3 October 2018)
Ms J C Judson (resigned 3 October 2018)
Ms B Monaghan (resigned 4 June 2018)
Ms D Hendry (resigned 3 October 2018)

Company registered number

SC106743

Charity registered number

SC013740

Registered office and principal address

Jubilee House
Forthside Way
Stirling
FK8 1QZ

Company secretary

George Thomson

Leadership

George Thomson, Chief Executive
Kenneth Stirratt, Head of Corporate Services

Independent auditors

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Advisers (continued)

Bankers

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

Solicitors

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees (who are also Directors of the charity for the purpose of the Companies Act) present their annual report together with the audited financial statements of Volunteer Development Scotland Limited (the company) for the year ended 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The company also operates under the name Volunteer Scotland.

Planning and Objectives

VISION, MISSION AND OBJECTIVES

Our Vision:

To get more people volunteering regularly, enjoyably and safely.

Our Mission:

Increase volunteering participation delivering positive wellbeing benefits for volunteers, beneficiaries and communities.

Our Objectives:

1. Participation – more people actively participate in their communities (place and interest) through volunteering
2. Inclusion – excluded groups are volunteering in mutually supportive communities for a fairer Scotland
3. Wellbeing – volunteers' health and wellbeing is increased through volunteering

Identity and Brand

- * To offer Scotland a national resource for volunteering, that includes the VSDS service and research, policy and practice services and products.
- * To offer a leadership 'voice' for a radical change in volunteer development that addresses a flat-lining participation rate in formal volunteering.
- * To have an identity that is;
 - Friendly, co-operative and driven by values for the common good;
 - Offers the best access to volunteer opportunities in Scotland, and research and knowledge about volunteering;
 - Connects to the needs of volunteers and volunteer engagers with the right resources to make a difference;
 - Enables volunteers to have a great experience and contribute to the well being of Scotland;
 - An integrated, effective, digital supported working unit with a data culture and modern use of technology and on-line services targeted to audiences.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

KEY FINANCIAL PERFORMANCE INDICATORS

Volunteer Scotland's 2018/19 Work Programme had a specific focus on the following policy priorities of the Scottish Government:

1. Empowering communities through increased volunteering participation.
2. Helping to deliver greater fairness and equality, including developing linkages and collaboration between the third sector and equalities organisations.
3. Youth engagement to ensure legacy effects from YOYP 2018.
4. Improving the health and wellbeing of both volunteers and those they support
5. Deepening collaborative approaches across the sector to maximise impact and public value
6. Effective governance and shared leadership of volunteering

Stirling/Region Volunteer Engagement Proof of Concept

A nationally significant collaboration with a shared goal to achieve a 50% volunteer participation rate combining Stirling City/Region developments and Stirling Council's branding "Stirling's Alive with Volunteering" with the expansion of the Festival of Volunteering and community outreach work in Stirling and Clackmannanshire.

Learning about how to find growth and inclusion in volunteer participation in a multi collaboration joint pilot and how to better use research and evidence to inform development work with a focus on inclusion. Also establishing how models of approach (marketing, community bubbles, volunteer support pot, national / international events) can support strategic outcomes. Leading to determining what works best to stimulate volunteering growth & inclusion that can be transferable in Scotland and beyond.

Influencing: Scotland, UK & International

Volunteer Scotland works closely with various bodies at both the UK and international level to influence volunteering policy and practice. By working closely with relevant umbrella bodies and forums Volunteer Scotland will identify opportunities to improve volunteering leadership, collaboration and practice. This involves sharing good practice as well as identifying issues for co-design and co-production.

Although Stirling was unsuccessful in its bid for European Volunteering Capital we will be invited onto a Candidate City and holder City special group in 2019 and will explore mutual interests. VS CEO sits on CEV Board and will continue to develop European networking and mutual interests in 2019 EVC candidate/holder group. The outputs from the Europe for Citizens 'Get Connected' project will be shared through a series of engagement events.

Shared Governance

Considerable progress has been achieved in developing a shared governance approach to ensure that the new Third Sector Hub operates in an innovative and sharing manner. This has direct involvement from OSCR and SCVO who are especially interested in its wider application. Our initial meeting agreed the following sharing themes:

- Increasing volunteering participation rates; and achieving a more inclusive outcome
- Sharing best practice
- Training & learning opportunities
- Mentoring and Trustee networking

Further meetings will take place in 2019 to explore further any mutual benefits which may be derived.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Volunteer Charter

Volunteer Scotland has worked on a review and updated the Volunteer Charter to reflect current thinking and experience. The work on the Volunteer Charter updates the existing joint STUC/Volunteer Scotland Charter to take account of our new context and the expressed need and demand for clear and unambiguous principles for assuring volunteer legitimacy and preventing exploitation. The key goal is to ensure good relations between workers and volunteers, and to ensure that other stakeholders achieve consensus on the validity of volunteer roles. The revised Charter was launched at The Gathering in February 2019 and provokes re-thinking the Trades Union influence on volunteer growth and inclusion beyond preventing exploitation and towards development, and social contract debate.

Investing in Volunteers and Investing in Volunteer for Employers UK Review

Drawing upon its development work and experience in Scotland, VS plays a key role in this UK-wide review. Volunteer Scotland will fully participate within the UK review of this product. Review parameters and process were agreed October 2018 and NCVO commissioned external consultants in January 2019 with the view of launching a new product scheduled for September 2019.

Supporting the National Volunteering Outcomes Framework

VS provided evidence-based inputs to support the design, development and implementation of the Volunteering Framework leading to the establishment of an enhanced VOF which is based on an accurate interpretation of robust evidence relevant to volunteering in Scotland.

Digital Infrastructure

VS developed with partners an online solution to effectively resolve the identified information mismatch, using data-driven digital methods. The result of this will be to encourage and enable more 'volunteer opportunity' applicants to continue deeper into the decision-making process and stimulate greater participation. VS is progressing an application which will apply data science resource to look at matching individuals to opportunities through analysing supply-side opportunity data and this will create valuable insights for volunteer involving organisations and stakeholders.

The Oxchain Project

VS has been involved in exploring how blockchain technology can stimulate and support volunteering. We are establishing how organisations, groups and volunteers could use blockchain to organise, build trust and achieve shared goals. We have become a partner in the Oxchain project to create a new type of blockchain co-designed and tested within volunteering. Working with the Oxchain team we have identified target audiences from the volunteering population and stakeholders and have been engaging them to attend innovative, themed workshops and co-design one or more working models that addresses perceived barriers to volunteering through innovative approaches.

Online learning

We have developed, piloted and rolled out a new online course for Volunteer Management in partnership with the Open University. This should improve access and a wider reach to community groups un/constituted groups, clubs and organisations who support volunteers and provide a better understanding of the needs of volunteers in relation to volunteer practice.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Developing Volunteer Leadership and Management Practice

We have used latest thinking and know-how on volunteer management and leadership and to reflect this in VS's training products. This is designed to improve understanding of how recognised Leadership and Management processes can support volunteer practice and to integrate this learning in VS's training through either a new online course and/or through VS's existing training courses for the benefit of volunteer managers and leaders across Scotland.

Learning and Development – Consultancy Workshops

We have delivered a series of bespoke consultancy and training support modules throughout the year. Primarily supporting 5 key organisations allowing them to have an improved understanding of volunteer management and the opportunity to review and reflect on their practices whilst supporting these organisations to enhance their practice for the benefit of volunteers and beneficiaries.

SVF Health and Wellbeing Sub-Group

Volunteer Scotland to lead this sub-group to take forward the findings from the Health and Wellbeing Report published in December 2018. This group have initiated a series of practical actions to help support the understanding, application and uptake of volunteering to maximise health and wellbeing benefits. The initial focus will be on four main areas: research, policy, practice and communications.

Get connected: Volunteering and Shared Values

Funded by the Creative Europe Programme of the EU, VS led the research and impact methodology for this 4-country programme to understand what impact volunteering can have on people's values.

Youth VIP Team

VS supported research work into the priorities for youth volunteering for the next 10 years and helped the Youth VIP Team in their co-design process, which maximises the relevance, currency and robustness of the recommendations that were submitted to the Scottish Government.

We have informed SG, key partners and VIOs on the nature and trends in youth volunteering across Scotland. Covering the age range 11 – 18, this data complements the SHS which only covers adults from 16+.

National Campaigns

Created marketing partnerships to run 2 nationally focused campaigns (one is Volunteers Week Scotland); and support 2 local or department focused campaigns. We also delivered a multi-channel campaign around the bid to become European Volunteering Capital 2020. Whilst the bid was unsuccessful the profile of volunteering has been raised. The impact has still to be fully assessed. We have begun planning discussions around Volunteers' Week 2019.

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TRUSTEES' REPORT (continued)
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Collaborative Learning

We have identified volunteering best practice through a collaborative working group. Through a collaborative approach we have helped create a space that will allow/encourage debate and discussion on the current and future models of volunteering best practice. The aim is to develop a consistent approach to volunteer practice, learning and development:

- Stakeholders/individuals will be invited to join a working group to explore volunteer best practice
- Explore and map current best practice models
- Evaluate the relevance of the National Volunteer Management Standards
- Produce learning materials that will support a consistent approach to volunteer practice

Investing in Volunteers and Training Delivery

Our goal was to ensure groups and organisations have a better understanding of their volunteer programmes. We have worked with them to develop their volunteer programmes in-line with the UK quality standard. Through training and coaching we have ensured that groups and organisations have the tools required to embrace continuous improvement and development through their IIV action plans and connections' workshops. Our target was for 15,000 volunteers across Scotland to volunteer within an IIV volunteer programme and we have delivered. VS has improved access and a wider reach to community groups un/constituted groups, clubs and organisations which support volunteers and allowed a better understanding of the needs of volunteers in relation to volunteer practice.

We have applied our continuous improvement approach to the development of volunteer practice and had a collaborative approach to delivering learning materials. The impact will be evidenced from the uptake and application of leading edge volunteering practice by VIOs for the benefit of volunteers, beneficiaries and wider communities.

Protection of Vulnerable Groups

VS Disclosure Services has now circa 3,000 registered organisations with which they work with effectively to ensure compliance of safeguarding legislation. We ensure that volunteer engaging organisations are more effective in their practice, delivering the following benefits:

- Faster and more accurate disclosure checking
- Time savings for VS, enrolled bodies and volunteers
- A more robust disclosure checking system ensuring that those volunteers who needed to be PVG checked are identified and processed at the right time.

During 2018-19 we processed 60,000 applications from a variety of registered bodies as well as meeting an increasing demand for compliance and training visits. Volunteers have guidance that is easier to follow, and organisations have the option of using the online support to better understand their responsibilities as signatories and volunteer engagers. It also reduces the impact on already stretched financial budgets where travel and potential accommodation would be required for traditional training methods.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Scottish Household Survey

We have completed a robust and authoritative analysis of the SHS dataset which informs the SG, key partners and volunteering involving organisations on:

- Trends in volunteering in Scotland
- How volunteering engagement varies according to demographic, social capital, community engagement and health and wellbeing factors.
- How volunteering engagement varies by the SIMD.
- How volunteering engagement, frequency of volunteering and hours volunteered varies between different demographic groups in Scotland.

Volunteer Scotland have published the implications of these findings for the benefit of SG policy, key partners and VIOs.

Financial review

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 the financial statements.

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 2019 the general reserves stood at £1,026,306, this amount being approximately 7 months of total resources expended in 2018/19 with designated funds totalling £919,606, which can only be converted to cash if the property in which we operate is sold. Therefore, the total unrestricted general reserves stood at £1,945,912 and the Board considers this amount sufficient to cover staff and operating costs on a short term basis to allow for reorganisation in the event of a significant decrease in income.

Restricted reserves at 31 March 2019 stood at £19,274 and this represents funds which have been received and are 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.

PRINCIPAL FUNDING

Volunteer Scotland recognises the financial stability it enjoys due to the grant funding received by our key funders the Scottish Government through our core funding and also Disclosure Scotland for funding our disclosure services. This backbone of grant funding allows VS to diversify and explore other areas of income generation to which the Board and leadership team are fully committed to secure. During 2018/19 VS continued to work with various clients in the public and private sector delivering a variety of training and contractual opportunities.

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TRUSTEES' REPORT (continued)
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INVESTMENT POWERS

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

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

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

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

Structure, governance and management

CONSTITUTION

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

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

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

METHOD OF APPOINTMENT OR ELECTION OF DIRECTORS

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

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

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

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

PAY POLICY FOR SENIOR STAFF

The Leadership Team follows exactly the same principles of all other staff in Volunteer Scotland.

To ensure the motivation of staff and their retention, VS will undertake a regular review of market rates at least every three years to ensure that posts are aligned with external salaries. 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.

VS is committed to ensuring that its rates of pay are commensurate with work undertaken and that posts will be matched regularly with each other in terms of job content, roles and responsibilities, and position within the overall salary structure. This will happen through the application of the job evaluation scheme.

VS's grading structure is underpinned by an analytical factor based job evaluation scheme. 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 accordingly to make appropriate adjustments to salaries, in line with internal differentials and external market rates.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Volunteer Scotland hold four Board meetings a year and their Annual General meeting is held in September.

Current Board members have a variety of professional backgrounds and skills relevant to the work of the organisation. Also present at Board meetings are the Chief Executive and VDS Leadership team who have no voting rights. The Board is responsible for the approval of strategic direction and also approval of policies of the organisation.

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

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

RELATED PARTY RELATIONSHIPS

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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

RISK MANAGEMENT

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

The Head of Corporate Services is the key support to the committee and this forum provides an invaluable space to discuss and review all financial exposures and any risks which may affect the ongoing running of the organisation and our sustainability.

Risk is managed on a regular basis through review and update of our existing Risk Framework which is maintained by key business personnel responsible for the specific areas of risk management. We have no business critical matters outstanding and have no legal actions or threats of any legal action against our organisation.

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.

The principal business risk is related to our ongoing relationship with our main funders. Scottish Government and Disclosure Scotland who contribute to our ongoing operations. Funding has been agreed for 2019-20 and we do not anticipate any risk associated with this.

In addition VS carries out other associated deliverables as detailed in our achievements above and risk is managed effectively throughout. We also own Jubilee House, Stirling and health and safety for our staff and tenants is of paramount importance and again we have managed this effectively throughout.

Plans for future periods

PLANS FOR THE FUTURE

Looking ahead Volunteer Scotland will be playing a national leadership role in the Scottish Government's aim to focus on three policy priority areas.

- To provide effective governance and leadership
- To deepen collaborative approaches across the sector to maximise impact.
- To help deliver greater fairness and equality including developing linkages and collaboration between third sector and equalities organisations.

Volunteer Scotland has six strategic outcomes which will be used to assess its performance and impact in the delivery of the Government's strategic priorities during 2019/20:

1. More people actively participate in their communities through volunteering
2. Volunteers' wellbeing is increased through positive volunteering
3. Through engagement with equalities organisations, more excluded groups are volunteering in mutually supportive communities for a fairer Scotland
4. National and local volunteer engagers are more effective in their engagement of volunteers

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

5. Key partners across all sectors are better supported to increase volunteering participation through a collaborative approach
6. Effective governance and leadership of volunteering by partners and volunteer engagers

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Volunteer Development Scotland for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

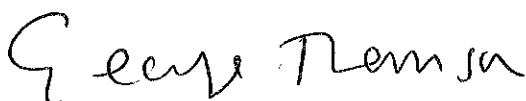
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

AUDITORS

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

This report was approved by the Trustees, on 14 August 2019 and signed on their behalf by:



Mr G Thomson
Secretary

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

OPINION

We have audited the financial statements of Volunteer Development Scotland Limited (the 'charitable company') for the year ended 31 March 2019 set out on pages 16 to 36. 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 31 March 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION 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.
- 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 (as amended) requires 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF TRUSTEES

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

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

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.

AUDITORS' 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 the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.


Anthony J Sinclair (Senior Statutory Auditor)

for and on behalf of

French Duncan LLP

Statutory Auditors & Chartered Accountants

Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
FK7 7WT

Date:

14/08/2019

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	800,000	-	800,000	800,000
Other trading activities	3	153,469	-	153,469	129,188
Investments	4	6,354	-	6,354	6,157
Charitable activities	5	81,984	772,516	854,500	779,938
TOTAL INCOME		<u>1,041,807</u>	<u>772,516</u>	<u>1,814,323</u>	<u>1,715,283</u>
EXPENDITURE ON:					
Raising funds	6	123,042	-	123,042	120,737
Charitable activities	7,8	818,492	760,452	1,578,944	1,496,556
TOTAL EXPENDITURE	11	<u>941,534</u>	<u>760,452</u>	<u>1,701,986</u>	<u>1,617,293</u>
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		100,273	12,064	112,337	97,990
NET MOVEMENT IN FUNDS		100,273	12,064	112,337	97,990
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,845,639	7,210	1,852,849	1,754,859
TOTAL FUNDS CARRIED FORWARD		<u>1,945,912</u>	<u>19,274</u>	<u>1,965,186</u>	<u>1,852,849</u>

There were no recognised gains and losses for 2019 and 2018 other than those included in the Statement of Financial Activities. All activities relate to continuing operations.

The notes on pages 19 to 36 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED

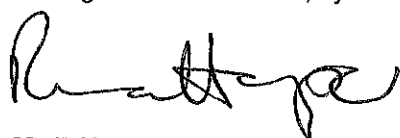
(A company limited by guarantee)
REGISTERED NUMBER: SC106743

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		1,769,133		1,784,687
CURRENT ASSETS					
Debtors	15	50,636		59,815	
Investments	16	500,000		500,000	
Cash at bank and in hand		706,251		664,560	
			<u>1,256,887</u>		<u>1,224,375</u>
CREDITORS: amounts falling due within one year	17	(138,794)		(177,686)	
NET CURRENT ASSETS			<u>1,118,093</u>		<u>1,046,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,887,226</u>		<u>2,831,376</u>
CREDITORS: amounts falling due after more than one year	18		<u>(800,040)</u>		<u>(849,527)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>2,087,186</u>		<u>1,981,849</u>
Defined benefit pension scheme liability	19		(122,000)		(129,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,965,186</u>		<u>1,852,849</u>
CHARITY FUNDS					
Restricted funds	22		19,274		7,210
Unrestricted funds	22		1,945,912		1,845,639
TOTAL FUNDS			<u>1,965,186</u>		<u>1,852,849</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf, by:



Ms R Harper
Chair

14 August 2019

The notes on pages 19 to 36 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>91,238</u>	<u>111,830</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(49,547)</u>	<u>(49,871)</u>
Net cash used in financing activities		<u>(49,547)</u>	<u>(49,871)</u>
Change in cash and cash equivalents in the year		41,691	61,959
Cash and cash equivalents brought forward		<u>664,560</u>	<u>602,601</u>
Cash and cash equivalents carried forward	25	<u><u>706,251</u></u>	<u><u>664,560</u></u>

The notes on pages 19 to 36 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Volunteer Development Scotland Limited 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.

1.2 Company status

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 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

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

1.3 Fund accounting

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

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

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

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

1.4 Income

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.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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.

Allocation and apportionment of costs

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

1.6 Going concern

In common with other charitable organisations, Volunteer Development Scotland is dependent on income from its donors, grant givers, and other supporters to ensure its objectives continue to be achieved for the longer term. The accounts have been prepared on the basis that the charity has continued support of its funders in the current and future years.

1.7 Tangible fixed assets and depreciation

Assets costing more than £10,000 are considered for capitalisation.

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

Long-term leasehold property	-	Straight line over 125 years
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, however the investment property component cannot be measured reliably without undue cost or effort.

1.8 Operating leases

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.9 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 Bank.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Grants	800,000	-	800,000	800,000
<i>Total 2018</i>	<u>800,000</u>	<u>-</u>	<u>800,000</u>	

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

	2019 £	2018 £
Scottish Government	<u>800,000</u>	<u>800,000</u>

3. TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charity trading income				
Rent and room hire	153,469	-	153,469	129,188
	<u>153,469</u>	<u>-</u>	<u>153,469</u>	<u>129,188</u>

4. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received	6,354	-	6,354	6,157
<i>Total 2018</i>	<u>6,354</u>	<u>-</u>	<u>6,354</u>	<u>6,157</u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Core	-	-	-	6,742
VS Disclosure Services	-	748,407	748,407	679,400
Projects	81,984	24,109	106,093	93,796
	<u>81,984</u>	<u>772,516</u>	<u>854,500</u>	<u>779,938</u>
<i>Total 2018</i>	<u>100,538</u>	<u>679,400</u>	<u>779,938</u>	

	VS DS £	Projects £	Core £	2019 £	2018 £
Grants	748,407	-	-	748,407	679,400
Other income	-	106,093	-	106,093	100,538
Total	<u>748,407</u>	<u>106,093</u>	<u>-</u>	<u>854,500</u>	<u>779,938</u>

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

	2019 £	2018 £
Disclosure Scotland	<u>748,407</u>	<u>679,400</u>

6. COSTS OF RAISING FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Core costs	123,042	-	123,042	120,737
<i>Total 2018</i>	<u>120,737</u>	<u>-</u>	<u>120,737</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Core	560,994	-	560,994	548,094
VS Disclosure Services	-	732,201	732,201	692,659
Projects	215,090	24,109	239,199	209,088
	<u>776,084</u>	<u>756,310</u>	<u>1,532,394</u>	<u>1,449,841</u>
<i>Total 2018</i>	<u>757,182</u>	<u>692,659</u>	<u>1,449,841</u>	

8. GOVERNANCE COSTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Auditors remuneration - VSDS	-	4,142	4,142	4,216
Auditors remuneration - Core	5,902	-	5,902	6,360
Wages and salaries - Core	30,495	-	30,495	30,174
NI - Core	3,593	-	3,593	3,583
Pension costs - Core	2,418	-	2,418	2,382
	<u>42,408</u>	<u>4,142</u>	<u>46,550</u>	<u>46,715</u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. DIRECT COSTS

	Core £	VSDS £	Projects £	Total 2019 £	Total 2018 £
Staff training	4,387	3,513	-	7,900	4,992
Printing and postage	1,773	3,718	162	5,653	791
Subscriptions	3,246	-	840	4,086	4,777
Professional fees	7,258	3,527	43,478	54,263	36,552
Advertising, PR and digital	7,068	1,700	33,432	42,200	16,954
Meetings and seminars	5,640	867	4,593	11,100	6,452
Volunteer costs	56	-	24,106	24,162	5,675
Management fee	(55,000)	55,000	-	-	-
Sub-contractor costs	78,043	4,774	7,219	90,036	124,158
Occupancy charge	(49,000)	49,000	-	-	-
Unwinding of discount	1,000	1,000	-	2,000	2,000
Police checks	-	7,625	-	7,625	8,325
Wages and salaries	351,855	405,327	99,055	856,237	833,516
National insurance	25,877	34,586	8,452	68,915	69,558
Pension cost	23,044	26,771	7,642	57,457	51,488
	<u>405,247</u>	<u>597,408</u>	<u>228,979</u>	<u>1,231,634</u>	<u>1,165,238</u>
<i>Total 2018</i>	<u>393,270</u>	<u>569,347</u>	<u>202,621</u>	<u>1,165,238</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. SUPPORT COSTS

	Core £	VSDS £	Projects £	Total 2019 £	Total 2018 £
Staff training	3,816	-	3,001	6,817	7,232
Printing and postage	6,507	24,988	-	31,495	34,910
Staff recruitment	1,410	-	-	1,410	725
Meetings and seminars	119	-	-	119	31
Office maintenance	31,130	24,229	-	55,359	53,365
IT hardware and software	37,897	48,844	-	86,741	73,409
Rates	4,971	4,692	-	9,663	9,099
Electricity and gas	6,745	6,828	-	13,573	14,534
Telephone	7,687	7,182	-	14,869	15,159
Leasing costs	4,102	3,412	-	7,514	7,901
Insurance	8,483	7,918	-	16,401	15,352
Sundries	10,738	6,700	7,219	24,657	22,603
Loan interest	16,588	-	-	16,588	14,729
Depreciation	15,554	-	-	15,554	15,554
	<u>155,747</u>	<u>134,793</u>	<u>10,220</u>	<u>300,760</u>	<u>284,603</u>
<i>Total 2018</i>	<u>154,824</u>	<u>123,312</u>	<u>6,467</u>	<u>284,603</u>	

11. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income	123,042	-	-	123,042	120,737
Costs of raising funds	<u>123,042</u>	<u>-</u>	<u>-</u>	<u>123,042</u>	<u>120,737</u>
Core	400,776	15,554	144,664	560,994	548,094
VS Disclosure Services	466,684	-	265,517	732,201	692,659
Projects	115,149	-	124,050	239,199	209,088
Charitable activities	<u>982,609</u>	<u>15,554</u>	<u>534,231</u>	<u>1,532,394</u>	<u>1,449,841</u>
Expenditure on governance	<u>36,506</u>	<u>-</u>	<u>10,044</u>	<u>46,550</u>	<u>46,715</u>
	<u>1,142,157</u>	<u>15,554</u>	<u>544,275</u>	<u>1,701,986</u>	<u>1,617,293</u>
<i>Total 2018</i>	<u>1,111,438</u>	<u>15,554</u>	<u>490,301</u>	<u>1,617,293</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	15,554	15,554
Auditors' remuneration	10,044	10,576
	=====	=====

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

2 Trustees received reimbursement of travel expenses amounting to £119 in the current year, (2018 - 1 Trustee - £31).

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	990,259	965,222
Social security costs	84,498	84,981
Other pension costs (Note 19)	67,400	61,235
	<u>1,142,157</u>	<u>1,111,438</u>

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

	2019	2018
	No.	No.
Professional/Operational staff full time	14	14
Professional/Operational staff part time	6	6
Administration staff full time	11	10
Administration staff part time	9	9
	<u>40</u>	<u>39</u>

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The charity considers its key management personnel comprise the Trustees and the leadership team as detailed on the reference and administration page. The total employment benefits including employer pension contributions of the key management personnel were £219,035 (2018 - £216,833).

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2018 and 31 March 2019	1,943,686	48,714	49,512	2,041,912
Depreciation				
At 1 April 2018	158,999	48,714	49,512	257,225
Charge for the year	15,554	-	-	15,554
At 31 March 2019	174,553	48,714	49,512	272,779
Net book value				
At 31 March 2019	1,769,133	-	-	1,769,133
At 31 March 2018	1,784,687	-	-	1,784,687

15. DEBTORS

	2019 £	2018 £
Trade debtors	27,326	44,794
Prepayments and accrued income	23,310	15,021
	<u>50,636</u>	<u>59,815</u>

16. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Monies held on deposit	500,000	500,000

Funds on deposit with a maturity date of more than 3 months were included in cash at bank and in hand in the 2018 financial statements. This was reclassified to current asset investments in these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	49,487	49,547
Trade creditors	25,934	41,532
Other taxation and social security	22,184	22,752
Other creditors	8,634	8,570
Accruals and deferred income	32,555	55,285
	138,794	177,686

18. CREDITORS: Amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	800,040	849,527
	800,040	849,527

Included within the above are amounts falling due as follows:

	2019	2018
	£	£
Between one and two years		
Bank loans	49,487	49,547
	49,487	49,547
Between two and five years		
Bank loans	148,462	148,642
	148,462	148,642
Over five years		
Bank loans	602,091	651,338
	602,091	651,338

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

	2019	2018
	£	£
Repayable by instalments	602,091	651,338
	602,091	651,338

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

19. PENSION COMMITMENTS

The company participates in a defined contribution scheme. Contributions payable are charged in the statement of financial activities as incurred. Contributions of £60,053 were payable (2018 - £63,999). Payments of £8,634 (2018 - £8,466) were due at the year end.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19. PENSION COMMITMENTS (continued)

The company also participates in the scheme (TPT Retirement Solutions - The Growth Plan), a multi-employer scheme which provides benefits to some 950 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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: £11.243m 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 £122,000 (2018 - £129,000) 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 1.39% (2018 - 1.71%). The unwinding of the discount rate is recognised as a finance cost

	2019	2018
	£	£
Provision at start of year	129,000	146,342
Unwinding of discount factor	2,000	2,000
Deficit contribution paid	(17,000)	(16,237)
Remeasurements - impact of any change in assumptions	8,000	(3,105)
	<u>122,000</u>	<u>129,000</u>
Provision at end of year	<u>122,000</u>	<u>129,000</u>

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20. CONTINGENT LIABILITIES

The pension withdrawal debt as at 30 September 2018 for Volunteer Development Scotland Limited was £286,010 (30 September 2017 - £333,727).

21. OPERATING LEASE COMMITMENTS

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	7,406	-
Between 1 and 5 years	12,960	11,851
Total	20,366	11,851

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Property funds	885,613	-	-	33,993	919,606
General funds					
General Funds	960,026	1,041,807	(941,534)	(33,993)	1,026,306
Total Unrestricted funds	1,845,639	1,041,807	(941,534)	-	1,945,912
Restricted funds					
Police Act	760	10,000	(7,625)	-	3,135
VS Disclosure Services	6,450	738,407	(728,718)	-	16,139
Volunteer Support Pot	-	24,109	(24,109)	-	-
	7,210	772,516	(760,452)	-	19,274
Total of funds	1,852,849	1,814,323	(1,701,986)	-	1,965,186

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

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
Designated funds					
Property funds	851,294	-	-	34,319	885,613
General funds					
General Funds	878,880	1,035,883	(920,418)	(34,319)	960,026
Total Unrestricted funds	1,730,174	1,035,883	(920,418)	-	1,845,639
Restricted funds					
Police Act	24,685	-	(23,925)	-	760
VS Disclosure Services	-	679,400	(672,950)	-	6,450
	24,685	679,400	(696,875)	-	7,210
Total of funds	1,754,859	1,715,283	(1,617,293)	-	1,852,849

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£
Designated funds	885,613	-	-	33,993	919,606
General funds	960,026	1,041,807	(941,534)	(33,993)	1,026,306
	1,845,639	1,041,807	(941,534)	-	1,945,912
Restricted funds	7,210	772,516	(760,452)	-	19,274
	1,852,849	1,814,323	(1,701,986)	-	1,965,186

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

22. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
Designated funds	851,294	-	-	34,319	885,613
General funds	878,880	1,035,883	(920,418)	(34,319)	960,026
	<u>1,730,174</u>	<u>1,035,883</u>	<u>(920,418)</u>	<u>-</u>	<u>1,845,639</u>
Restricted funds	24,685	679,400	(696,875)	-	7,210
	<u>1,754,859</u>	<u>1,715,283</u>	<u>(1,617,293)</u>	<u>-</u>	<u>1,852,849</u>

Purpose of unrestricted funds:

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

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

Purpose of restricted funds:

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 provided by Glasgow 2018 and administered by Volunteer Scotland to allow volunteer expenses to be paid for those attending events and who qualified for financial assistance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,769,133	-	1,769,133
Current assets	1,237,613	19,274	1,256,887
Creditors due within one year	(138,794)	-	(138,794)
Creditors due in more than one year	(800,040)	-	(800,040)
Provisions for liabilities and charges	(122,000)	-	(122,000)
	<u>1,945,912</u>	<u>19,274</u>	<u>1,965,186</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,784,687	-	1,784,687
Current assets	1,217,165	7,210	1,224,375
Creditors due within one year	(177,686)	-	(177,686)
Creditors due in more than one year	(849,527)	-	(849,527)
Provisions for liabilities and charges	(129,000)	-	(129,000)
	<u>1,845,639</u>	<u>7,210</u>	<u>1,852,849</u>

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	112,337	97,990
Adjustment for:		
Depreciation charges	15,554	15,554
Decrease in pension deficit	(7,000)	(17,342)
Decrease/(increase) in debtors	9,179	(18,349)
(Decrease)/increase in creditors	(38,832)	33,977
Net cash provided by operating activities	<u>91,238</u>	<u>111,830</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Bank accounts	706,051	664,360
Cash in hand	200	200
Total	<u>706,251</u>	<u>664,560</u>