
VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

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VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Dr R Jennings, Chair
Mr E Jackson
Mr N Bido, Vice Chair
Ms J Gaul
Mr C Horne (resigned 29 October 2020)
Mr B Scott (resigned 29 October 2020)
Mr K Geddes
Ms F Watson
Ms E Cormack
Ms A Mitchell
Ms R Wylie (appointed 29 October 2020)
Ms J Mitchell (appointed 29 October 2020)
Ms J Podet (appointed 29 October 2020)

Company registered number

SC106743

Charity registered number

SC013740

Registered office and principal address

Jubilee House
Forthside Way
Stirling
FK8 1QZ

Company secretary

George Thomson (resigned 8 May 2021)
Alan Stevenson (appointed 9 May 2021)

Leadership

George Thomson, Chief Executive (to 31 March 2021)
Alan Stevenson, Interim Chief Executive (from 1 April 2021)
Kenneth Stirratt, Head of Corporate Services

Independent auditor

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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 2021

The Trustees present their annual report together with the audited financial statements of Volunteer Development Scotland for the year 1 April 2020 to 31 March 2021. 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).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The company also operates under the name Volunteer Scotland.

PLANNING AND OBJECTIVES

Our Vision:

Volunteering for All.

Our Mission:

To get more people volunteering – regularly, enjoyably and safely.

Our Objectives:

- **Participation** – more people actively participate in their communities through volunteering
- **Inclusion** – excluded groups are volunteering in mutually supportive communities for a fairer Scotland
- **Wellbeing** – volunteers' health and wellbeing is increased through volunteering

Identity and brand

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

-To offer a leadership 'voice' for a change in volunteer development that has a focus on evidence and that allows VS to articulate the type of changes required and which 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.

ACHIEVEMENT AND PERFORMANCE

Volunteer Scotland's activities and performance have been heavily influenced by the pandemic. We have had to adapt how we work (and our immediate priorities) to the needs of volunteers, voluntary organisations and the pandemic response. This has been a time of unprecedented change within volunteering. We recorded high

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FOR THE YEAR ENDED 31 MARCH 2021

levels of volunteering in the population (74% volunteered at the peak), which was driven largely by an incredible 'informal' response to the pandemic. Some volunteering areas were in great demand to meet the immediate crisis needs such as food supply and shelter, and others required formal volunteering to help tackle the major societal problems which Covid-19 has exacerbated such as mental health and loneliness. The crisis has also imposed immense challenges on volunteer involving organisations, which have had to adapt very rapidly to enable them to deliver their services. However, for many their formal volunteer programmes had to close and have yet to restart. Meanwhile, voluntary organisations face new existential threats; acute need has shifted resources and some of these effects are yet to be fully felt. Some local communities have fared less well during the pandemic with areas of deprivation, and those individuals already facing barriers to volunteer, affected most.

Pulling together

Over the last year, we have been part of a wider partner response, typified by its 'can do' spirit. Volunteer Scotland working with Disclosure Services, rolled out a fast-track process in the first few weeks which enabled organisations providing essential services to deploy volunteers to the most vulnerable in society (but still undertake the appropriate PVG checks). Our IT and Communications and Admin Teams developed and manned an advice portal, dedicated support email and chat to deal with the increased demand for guidance and advice (much of this advice came through partners). We provided a route for volunteers to find local 'essential' opportunities through the Scotland Cares campaign (working with SCVO, TSIs and Local Authorities). We also ran an online radio station dedicated to volunteers with stories and news around the pandemic response in Scotland. Our Research and Evaluation Team have pivoted much of their work towards Covid-19, sharing their research evidence from their own surveys and media monitoring, but also mapping other's research in this area. We're now taking a lead role in a 4-nations research project reviewing the response at a UK level. Our practice team have moved their training and accreditation activity online, offering sessions for free but also reworking guidance into smaller bite-sized chunks aimed at reaching smaller, un-constituted groups. We've also taken a lead role in redeveloping the main volunteering accreditation programmes in Scotland.

Operations

Operationally we have been busy where focus during year to date has been on dealing with the spike of volunteer supply registering through our website as a result of the Ready Scotland campaign. Training, Research and Communications have adapted to this response and have shown a high degree of flexibility in dealing with our new demands.

We have also secured a significant piece of work with the UK Research Institute working with various partners throughout the UK. The contract value is for £30k and progress is underway. One third of this contract has been completed during 2020-21 with the remainder flowing into 2021-22.

We have adapted our training offer recognising the need to train on-line and we have had a successful programme throughout the year offering many redeveloped courses online and free of charge. We have increased our delivery of Investors in Volunteering product including the management of the fallout of organisations in England whose support from Volunteer England was withdrawn. This support was managed by the other three remaining UK nations.

Our head office in Stirling has had little human traffic since the initial lockdown and any commercial aspirations from room rental and training have been depleted. However, we have had a skeleton staff and tenants working in Jubilee House and we look forward to a more prolific return to the office during 2021-22.

Future Planning

We are planning for a different world post Covid. We're focused on informing practice more widely through increasing reach and access to accreditation standards and training materials. We are also acutely aware of the needs of volunteers and volunteer managers (more especially their health and wellbeing). We continue to consider those facing the most barriers to volunteering and the needs of the sector, through reducing 'unnecessary' bureaucracy where we can. Through our research work, we understand more of the linkages between volunteering and inclusion, social isolation and community empowerment and the impact of the pandemic. We have moved closer to our stakeholders over the last year and we've a key role in helping to create

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

the 'Volunteering for All' action plan. As for everything else we are doing this will only be achieved through listening to the volunteer's voice and working with our partners and stakeholders. We believe the challenge of achieving 'Volunteering for All' is bigger and more important than ever - in fact, a once in a decade opportunity for the sector.

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 these financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. At 31 March 2021 VDS holds total reserves of £1,866,815 however we recognise the potential risks associated with the current crisis and VS may require to utilise some of this reserve balance in the short term to overcome downturns in some levels of income which we are experiencing.

However, we do not expect any negative impacts from our main core funders which account for the main source of funding of VDS.

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 the risk register is undertaken and quarterly performance reports continuously assess and manage risks. The Audit and Scrutiny Committee consisting of some of our Board Directors and senior staff, reviews the risk framework and existing policies within Volunteer Development Scotland to ensure that any risk exposure is minimised and that good practice is maintained.

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.

Volunteer Scotland recognises the exposure we have to financial and operational implications arising from Covid-19 and we will attempt to minimise our risk associated with this for our staff, clients, customers and tenants as well as our operations.

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 2021-22 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, particularly in this pandemic, and again we have managed this effectively throughout to date.

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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 2021 the general reserves stood at £1,043,276. This amount represents a target coverage of 6-9 months business operational costs which we deem to be a reasonable amount of reserves for an organisation of this size.

In addition VDS has longer term liabilities which requires 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 scheme. Adequate level of reserves allow decisions to be made on early payment of both.

Restricted reserves at 31 March 2021 stood at £2,587 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.

Principal funding

Volunteer Development Scotland recognises the financial stability it enjoys due to the grant funding received by our key funders the Scottish Government through our core funding and also Disclosure Scotland for funding our disclosure services. This backbone of grant funding allows VDS to diversify and explore other areas of income generation to which the Board and leadership team are fully committed to secure. During 2020-2021 VDS continued to work with our funders and various clients in the public and private sector delivering a variety of opportunities. We recognise that pandemic issues are not over and any requirement that we may have to bolster our finances will be met from our reserves if required during the 2021-22 financial year.

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.

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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.

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 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.

Organisational structure and decision-making policies

Volunteer Development Scotland holds four Board meetings a year and their Annual General meeting is held in October. In addition VDS holds four directors workshops throughout the year.

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.

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.

Pay policy for key management personnel

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

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 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.

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VDS 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.

VDS'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.

Related party relationships

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

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

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

Plans for future periods

Looking ahead Volunteer Development Scotland will continue to play 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 four strategic outcomes which will be used to assess its performance and impact in the delivery of the Government's strategic priorities during 2021-22:

1. More excluded groups are volunteering in mutually supportive communities.
2. Effective leadership for innovation and volunteering change.
3. Key partners across all sectors are better supported and facilitated for volunteering growth and inclusion.
4. International, national, local and community volunteer engagers are more effective in their volunteer engagement

Statement of 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

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FOR THE YEAR ENDED 31 MARCH 2021

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 of the Charities SORP (FRS 102);
- make judgements 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

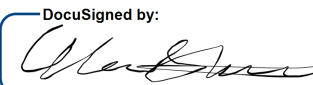
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is 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 charity's auditor is aware of that information.

Auditor

The auditor, French Duncan LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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

DocuSigned by:

A Stevenson
Secretary
Date: 01 September 2021

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INDEPENDENT AUDITOR'S REPORT TO THE 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 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 31 March 2021 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 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

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLUNTEER DEVELOPMENT SCOTLAND LIMITED (CONTINUED)

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 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.

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 Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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; 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLUNTEER DEVELOPMENT SCOTLAND LIMITED (CONTINUED)

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.

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.

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 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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our charity sector knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLUNTEER DEVELOPMENT SCOTLAND LIMITED (CONTINUED)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims
- inspecting any legal invoices; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditor's report.

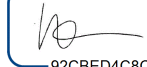
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLUNTEER DEVELOPMENT SCOTLAND LIMITED (CONTINUED)

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, 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.

DocuSigned by:



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Antony Sinclair BAcc CA (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: 01 September 2021

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 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	-	800,000	800,000	800,000
Charitable activities	5	775,128	36,326	811,454	853,146
Other trading activities	6	-	93,656	93,656	153,537
Investments	7	-	5,047	5,047	7,297
Total income		775,128	935,029	1,710,157	1,813,980
Expenditure on:					
Raising funds	8	-	88,677	88,677	78,168
Charitable activities	9	799,386	823,678	1,623,064	1,650,903
Total expenditure		799,386	912,355	1,711,741	1,729,071
Net movement in funds before other recognised gains/(losses)		(24,258)	22,674	(1,584)	84,909
Other recognised gains/(losses):					
Loss on valuation of investment property		-	-	-	(181,696)
Net movement in funds		(24,258)	22,674	(1,584)	(96,787)
Reconciliation of funds:					
Total funds brought forward		26,845	1,841,554	1,868,399	1,965,186
Net movement in funds		(24,258)	22,674	(1,584)	(96,787)
Total funds carried forward		2,587	1,864,228	1,866,815	1,868,399

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 40 form part of these financial statements.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC106743

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,129,717	1,139,827
Investment property	15	437,500	437,500
		<u>1,567,217</u>	<u>1,577,327</u>
Current assets			
Debtors	16	35,868	39,717
Investments	17	500,000	500,000
Cash at bank and in hand		721,174	754,339
		<u>1,257,042</u>	<u>1,294,056</u>
Creditors: amounts falling due within one year	18	(179,986)	(153,565)
Net current assets		<u>1,077,056</u>	<u>1,140,491</u>
Total assets less current liabilities		<u>2,644,273</u>	<u>2,717,818</u>
Creditors: amounts falling due after more than one year	19	(692,655)	(749,103)
Net assets excluding pension liability		<u>1,951,618</u>	<u>1,968,715</u>
Defined benefit pension scheme liability	28	(84,803)	(100,316)
Total net assets		<u><u>1,866,815</u></u>	<u><u>1,868,399</u></u>
Charity funds			
Restricted funds	21	2,587	26,845
Unrestricted funds	21	1,864,228	1,841,554
Total funds		<u><u>1,866,815</u></u>	<u><u>1,868,399</u></u>

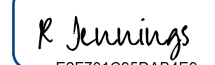
VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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


Dr R Jennings
Chair of Trustees

Date: 01 September 2021

The notes on pages 19 to 40 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	24	15,112	90,729
Cash flows from investing activities			
Dividends, interest and rents from investments		5,047	7,297
Net cash provided by investing activities		5,047	7,297
Cash flows from financing activities			
Repayments of borrowing		(53,324)	(49,938)
Net cash used in financing activities		(53,324)	(49,938)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		754,339	706,251
Cash and cash equivalents at the end of the year	25	721,174	754,339

The notes on pages 19 to 40 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 2021

1. 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 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), 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.

2.2 Going concern

The Trustees have considered forecasts for 21/22, which have been prepared in light of the ongoing Covid-19 pandemic, 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.

2.3 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 2021

2. Accounting policies (continued)

2.4 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.

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.

2.5 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.

2.6 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.

2.7 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.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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 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, and is split between investment property component and fixed assets.

2.8 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.

2.9 Current asset investments

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

2.10 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.

2.11 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.

2.12 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.

2.13 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.

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 Operating leases

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

2.15 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.

2.16 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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. 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 including the impact of Covid-19.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants	800,000	800,000	<i>800,000</i>
	<u>800,000</u>	<u>800,000</u>	
<i>Total 2020</i>		<i>800,000</i>	
		<u>800,000</u>	

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

	2021 £	<i>2020 £</i>
Scottish Government	800,000	<i>800,000</i>
	<u>800,000</u>	<u>800,000</u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
VS Disclosure Services	765,128	-	765,128	763,024
Projects	10,000	36,326	46,326	90,122
	<u>775,128</u>	<u>36,326</u>	<u>811,454</u>	<u>853,146</u>
<i>Total 2020</i>	<u>794,506</u>	<u>58,640</u>	<u>853,146</u>	

	VSDS 2021 £	Projects 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants	765,128	-	765,128	778,584
Other income	-	46,326	46,326	74,562
	<u>765,128</u>	<u>46,326</u>	<u>811,454</u>	<u>853,146</u>
<i>Total 2020</i>	<u>763,024</u>	<u>90,122</u>	<u>853,146</u>	

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

	2021 £	<i>2020 £</i>
Disclosure Scotland	765,128	763,024
Solheim Cup	-	15,560
	<u>765,128</u>	<u>778,584</u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Rent and room hire	93,656	93,656	153,537
<i>Total 2020</i>	<u>153,537</u>	<u>153,537</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Interest received	5,047	5,047	7,297
<i>Total 2020</i>	<u>7,297</u>	<u>7,297</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Wages and salaries	74,403	74,403	65,915
NI	8,982	8,982	7,760
Pension costs	5,292	5,292	4,493
	<u>88,677</u>	<u>88,677</u>	<u>78,168</u>
<i>Total 2020</i>	<u>78,168</u>	<u>78,168</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Core	10,000	687,419	697,419	645,466
VS Disclosure Services	788,558	-	788,558	756,281
Projects	828	136,259	137,087	249,156
	<u>799,386</u>	<u>823,678</u>	<u>1,623,064</u>	<u>1,650,903</u>
<i>Total 2020</i>	<u>786,935</u>	<u>863,968</u>	<u>1,650,903</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Core	600,618	96,801	697,419	645,466
VS Disclosure Services	659,895	128,663	788,558	756,281
Projects	136,837	250	137,087	249,156
	<u>1,397,350</u>	<u>225,714</u>	<u>1,623,064</u>	<u>1,650,903</u>
<i>Total 2020</i>	<u>1,338,903</u>	<u>312,000</u>	<u>1,650,903</u>	

Analysis of direct costs

	Core 2021 £	VSDS 2021 £	Projects 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	563,911	539,870	118,567	1,222,348	1,086,205
Staff training	953	1,536	-	2,489	4,244
Printing and postage	93	1,089	-	1,182	5,764
Subscriptions	3,763	869	-	4,632	4,536
Professional fees	37,744	3,142	17,824	58,710	50,332
Advertising, PR and digital	32,266	410	-	32,676	22,303
Meetings and seminars	319	-	-	319	8,012
Volunteer costs	-	-	-	-	14,875
Occupancy charge	(49,000)	49,000	-	-	-
Sub-contractor costs	67,224	-	446	67,670	132,007
Police checks	-	5,066	-	5,066	8,625
Management fee	(57,784)	57,784	-	-	-
Unwinding of discount	1,129	1,129	-	2,258	2,000
	<u>600,618</u>	<u>659,895</u>	<u>136,837</u>	<u>1,397,350</u>	<u>1,338,903</u>
<i>Total 2020</i>	<u>478,632</u>	<u>619,258</u>	<u>241,013</u>	<u>1,338,903</u>	

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Core 2021 £	VSDS 2021 £	Projects 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation	10,110	-	-	10,110	10,110
Staff training	82	-	330	412	8,377
Printing and postage	42	9,671	-	9,713	34,064
Staff recruitment	-	-	-	-	1,730
Office maintenance	4,123	18,082	-	22,205	37,808
IT hardware and software	24,797	45,728	-	70,525	73,126
Rates	2,925	5,907	-	8,832	10,740
Electricity and gas	4,893	7,257	-	12,150	22,091
Telephone	7,713	7,834	-	15,547	15,401
Leasing costs	769	3,645	-	4,414	5,362
Insurance	9,021	9,019	-	18,040	17,110
Sundries	1,239	1,100	(80)	2,259	21,649
Loan interest	10,417	-	-	10,417	16,624
Governance costs	20,670	20,420	-	41,090	37,808
	<u>96,801</u>	<u>128,663</u>	<u>250</u>	<u>225,714</u>	<u>312,000</u>
<i>Total 2020</i>	<u><u>166,834</u></u>	<u><u>137,023</u></u>	<u><u>8,143</u></u>	<u><u>312,000</u></u>	

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>10,554</u>	<u>10,094</u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	1,091,826	<i>1,034,260</i>
Social security costs	99,992	<i>92,241</i>
Other pension costs	149,743	<i>65,586</i>
	<u>1,341,561</u>	<i><u>1,192,087</u></i>

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Professional/Operational staff full time	16	<i>16</i>
Professional/Operational staff part time	5	<i>5</i>
Administration staff full time	9	<i>9</i>
Administration staff part time	10	<i>10</i>
	<u>40</u>	<i><u>40</u></i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	-	<i>1</i>
In the band £80,001 - £90,000	1	<i>-</i>

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 £237,695 (2020 - £166,277).

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	1,263,396	48,714	49,512	1,361,622
At 31 March 2021	<u>1,263,396</u>	<u>48,714</u>	<u>49,512</u>	<u>1,361,622</u>
Depreciation				
At 1 April 2020	123,569	48,714	49,512	221,795
Charge for the year	10,110	-	-	10,110
At 31 March 2021	<u>133,679</u>	<u>48,714</u>	<u>49,512</u>	<u>231,905</u>
Net book value				
At 31 March 2021	<u><u>1,129,717</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,129,717</u></u>
At 31 March 2020	<u><u>1,139,827</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,139,827</u></u>

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2020 and 31 March 2021	437,500

The investment property was valued at 31 March 2020 by an independent valuer with a recognised and relevant professional qualification, Graham & Sibbald, on the basis of fair value in accordance with the RICS Valuation Professional Standards 2014 and International Valuation Standards.

Due to the impact of Covid-19 at 31 March 2020 the valuation was subject to a 'material valuation uncertainty' restriction. However, this caveat was lifted from August 2020.

At 31 March 2021 the independent valuer was of the opinion that the value of the investment property had not materially changed from the previous year and hence the trustees adopted this valuation at the current year end.

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	12,128	14,670
Prepayments and accrued income	23,740	25,047
	35,868	39,717
	35,868	39,717

17. Current asset investments

	2021 £	2020 £
Monies held on deposit	500,000	500,000
	500,000	500,000
	500,000	500,000

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	53,610	50,486
Trade creditors	18,019	24,560
Other taxation and social security	36,230	24,654
Other creditors	11,961	11,170
Accruals and deferred income	60,166	42,695
	<u>179,986</u>	<u>153,565</u>

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>692,655</u>	<u>749,103</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	<u>53,610</u>	<u>50,486</u>
Between two and five years		
Bank loans	<u>160,831</u>	<u>151,458</u>
Over five years		
Bank loans	<u>478,214</u>	<u>547,159</u>

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

	2021 £	2020 £
Payable or repayable by instalments	<u>478,214</u>	<u>547,159</u>

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

VOLUNTEER DEVELOPMENT SCOTLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	437,500	437,500

Financial assets measured at fair value comprise investment property.

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Property fund	<u>777,738</u>	-	<u>(10,110)</u>	<u>53,324</u>	<u>820,952</u>
General funds					
General funds	<u>1,063,816</u>	<u>935,029</u>	<u>(902,245)</u>	<u>(53,324)</u>	<u>1,043,276</u>
Total Unrestricted funds	<u>1,841,554</u>	<u>935,029</u>	<u>(912,355)</u>	<u>-</u>	<u>1,864,228</u>
Restricted funds					
Police Act	1,510	5,000	(5,066)	-	1,444
VS Disclosure Services	24,507	760,128	(783,492)	-	1,143
Solheim Cup	828	-	(828)	-	-
Northumbria University Project	-	10,000	(10,000)	-	-
	<u>26,845</u>	<u>775,128</u>	<u>(799,386)</u>	<u>-</u>	<u>2,587</u>
Total of funds	<u>1,868,399</u>	<u>1,710,157</u>	<u>(1,711,741)</u>	<u>-</u>	<u>1,866,815</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Property fund	919,606	-	-	39,828	(181,696)	777,738
General funds						
General funds	1,026,306	1,019,474	(942,136)	(39,828)	-	1,063,816
Total Unrestricted funds	1,945,912	1,019,474	(942,136)	-	(181,696)	1,841,554
Restricted funds						
Police Act	3,135	7,000	(8,625)	-	-	1,510
VS Disclosure Services	16,139	756,024	(747,656)	-	-	24,507
Solheim Cup	-	15,560	(14,732)	-	-	828
Volunteer Support Pot	-	15,922	(15,922)	-	-	-
	19,274	794,506	(786,935)	-	-	26,845
Total of funds	1,965,186	1,813,980	(1,729,071)	-	(181,696)	1,868,399

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22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	777,738	-	(10,110)	53,324	820,952
General funds	1,063,816	935,029	(902,245)	(53,324)	1,043,276
Restricted funds	26,845	775,128	(799,386)	-	2,587
	<u>1,868,399</u>	<u>1,710,157</u>	<u>(1,711,741)</u>	<u>-</u>	<u>1,866,815</u>

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Designated funds	919,606	-	-	39,828	(181,696)	777,738
General funds	1,026,306	1,019,474	(942,136)	(39,828)	-	1,063,816
Restricted funds	19,274	794,506	(786,935)	-	-	26,845
	<u>1,965,186</u>	<u>1,813,980</u>	<u>(1,729,071)</u>	<u>-</u>	<u>(181,696)</u>	<u>1,868,399</u>

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22. Summary of funds (continued)

Purpose of unrestricted funds:

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

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.

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 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.

Solheim Cup

Funds utilised to provide financial support to volunteers engaged in the Solheim Cup held at Gleneagles in September 2019.

Northumbria University Project

A UK Research Institute contract, funded by Northumbria University to undertake findings on Mobilising Voluntary Action in the four UK jurisdictions. This is a collaborative project involving 4 UK partners.

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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	1,129,717	1,129,717
Investment property	-	437,500	437,500
Current assets	2,587	1,254,455	1,257,042
Creditors due within one year	-	(179,986)	(179,986)
Creditors due in more than one year	-	(692,655)	(692,655)
Provisions for liabilities and charges	-	(84,803)	(84,803)
Total	2,587	1,864,228	1,866,815

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	1,139,827	<i>1,139,827</i>
Investment property	-	437,500	<i>437,500</i>
Current assets	26,845	1,267,211	<i>1,294,056</i>
Creditors due within one year	-	(153,565)	<i>(153,565)</i>
Creditors due in more than one year	-	(749,103)	<i>(749,103)</i>
Provisions for liabilities and charges	-	(100,316)	<i>(100,316)</i>
Total	26,845	1,841,554	1,868,399

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the year (as per the Statement of Financial Activities)	(1,584)	84,909
Adjustments for:		
Depreciation charges	10,110	10,110
Dividends, interest and rents from investments	(5,047)	(7,297)
Decrease in debtors	3,849	10,919
Increase in creditors	23,297	13,771
Decrease in pension deficit	(15,513)	(21,683)
Net cash provided by operating activities	15,112	90,729

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Bank accounts	720,974	754,139
Cash in hand	200	200
Total cash and cash equivalents	721,174	754,339

26. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	754,339	(33,165)	-	721,174
Debt due within 1 year	(50,486)	53,324	(56,448)	(53,610)
Debt due after 1 year	(749,103)	-	56,448	(692,655)
Liquid investments	500,000	-	-	500,000
	454,750	20,159	-	474,909

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NOTES TO THE FINANCIAL STATEMENTS
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27. Contingent liabilities

The pension withdrawal debt as at 30 September 2020 for Volunteer Development Scotland Limited was £271,527 (30 September 2019 - £318,181).

28. 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 £145,109 were payable (2020 - £68,798). Payments of £11,716 (2020 - £11,170) 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 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.

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FOR THE YEAR ENDED 31 MARCH 2021

28. Pension commitments (continued)

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 £84,803 (2020 - £101,000) 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 0.66% (2020 - 2.53%). The unwinding of the discount rate is recognised as a finance cost.

	2021	<i>2020</i>
	£	£
Provision at start of year	101,000	<i>122,000</i>
Unwinding of discount factor	2,258	<i>2,000</i>
Deficit contribution paid	(20,835)	<i>(20,000)</i>
Remeasurement - impact of any change in assumptions	2,380	<i>(3,000)</i>
Provision at end of year	84,803	<i>101,000</i>

29. Operating lease commitments

At 31 March 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	£
Not later than 1 year	3,456	<i>3,456</i>
Later than 1 year and not later than 5 years	6,048	<i>9,504</i>
	9,504	<i>12,960</i>