voluntary health scotland

VOLUNTARY HEALTH SCOTLAND
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

CHARITY NO: SC035482

COMPANY NO: SC267315

WHITELAW WELLS
Chartered Accountants & Registered Auditors
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VOLUNTARY HEALTH SCOTLAND

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2018

DIRECTORS' REPORT

The Directors, who are trustees for the purposes of charity law, have pleasure in presenting their report for the year to 31 March 2018.

OBJECTS AND ACTIVITIES

The objects of the company, as set out in the governing document, are to preserve, protect and promote the health of people living in Scotland, and to assist in the relief of ill health and the provision of health education for people living in Scotland

VHS is the national intermediary and network for voluntary health organisations in Scotland. Its full members range from large national charities to local, community based organisations. Additionally, it has associate members who are individuals or organisations in the public and independent sectors who wish to support VHS's work. Beyond its own members, VHS works with a wide range of stakeholders from the voluntary, community and third sector, Scottish Government, NHS, other public sector and academia.

This report provides the Directors' assessment of the final year of VHS's existing strategy and looks forward to the new three year strategy which will run from April 2018 to March 2021.

ACHIEVEMENTS AND PERFORMANCE

Loneliness, Social Isolation and Health

For a second year running, this was a major theme. The results of VHS's 2017 membership survey showed that loneliness and social Isolation were key areas of work for over 60% of its member organisations. VHS endeavoured to show leadership across the voluntary health sector and beyond, as the Scottish Government began work in earnest on the development of a national strategy to address loneliness and social isolation.

During the course of the year VHS engaged widely on the topic, including with Big Lottery Scotland, Macmillan, SAMH, Scottish Natural Heritage and Scottish Prison Service. As the third sector representative on ScotPHN's National Advisory Board, VHS encouraged ScotPHN to take on the topic as part of its 2017/18 work stream, and ScotPHN went on to publish *Loneliness and social isolation: What is the scope for public health action?* (May 2017).

VHS worked with Glasgow Caledonian University, challenging its eighteen Marketing (Masters) students to develop a social marketing strategy on loneliness and health. This collaboration culminated in a 'Dragon's Den' type event (April 2017) when four groups of students presented their campaigns to an invited audience drawn from voluntary health organisations, Scottish Government and NHS Health Scotland. The overall winning group's 'Time to Talk' campaign focuses on prevention and awareness raising in secondary schools. VHS published all four campaigns on its website.

In her public engagements, VHS's Chief Officer promoted the importance of creating kinder, more social communities and highlighted the important role of community food and transport as enablers of social connectedness. She was the opening speaker at the Scottish Government's National Stakeholder Event: *Developing a National Social Isolation and Loneliness Strategy* (April 2017), at which VHS also facilitated two table discussions. Our Chief Officer was also a speaker at the conference held by Faith in Older People and Church of Scotland Guild on the role of churches/faith groups in tackling loneliness (May 2017). Also in May, VHS took part in the Scottish Government's third sector round table with Brendan Cox of the Jo Cox Commission. In February 2018 our Chief Officer gave a

presentation on taking a public health approach to loneliness, at a seminar on loneliness, organised by Holyrood Events who had also taken on board VHS's suggestions for the programme of speakers.

VHS continued to publish awareness raising material about loneliness and health on its website, including a blog by Action On Elder Abuse that argued loneliness among older people puts them at risk of harm and abuse. VHS met with and briefed Senscot to raise their awareness about the issues and evidence, and Senscot subsequently conducted a series of case studies and published its own report on the role of social enterprise in addressing loneliness. VHS also met with NHS Ayrshire and Arran on several occasions, to support their development of a health and social care partnership approach to addressing loneliness across their board area.

In November VHS held a round table to continue discussion about third sector ideas for the strategy. VHS developed a summary briefing: *Loneliness and Social Isolation One Year On,* a collation of key developments since the Scottish Government's announcing that there would be a national strategy. In January 2018 VHS promoted the launch of *A Connected Scotland*, the draft strategy, as well as the government's associated engagement events. A research and evidence briefing was prepared for MSPs ahead of the January 2018 Parliamentary debate on "building a connected Scotland together". During the debate VHS and a number of its member organisations were recognised for their contributions on the issues. In February, VHS published its initial commentary on the strategy, as part of continued efforts to encourage voluntary health organisations (and others) to respond to the consultation.

In preparation for its own response to *A Connected Scotland*, VHS conducted primary research into the loneliness and social isolation experienced by under-represented demographics in Scotland who often face multiple triggers of loneliness and social isolation. In March 2018, Voluntary Health Scotland spoke to BME women, people living or working in an area of socio-economic deprivation, people receiving palliative care and carers as well as people living or working in rural settings. It did so via five focus groups and six interviews, speaking to a total of fifty seven people. VHS spoke to service users as well as service providers to try to understand people's experiences of loneliness and social isolation and to explore what people thought the role of Scottish Government, the public and voluntary sector and wider society should be. In their formal response to the consultation, VHS quoted extensively from research participants in order to give voice to their lived experience.

In March 2018, the then Minister for Social Security Jeane Freeman MSP (now Cabinet Secretary for Health and Sport) invited VHS to meet with her to discuss the strategy. She subsequently wrote to VHS to say:

"It was very helpful to explore a range of issues, including the potential to link the draft strategy to the Planning Bill. I will pick that up with the Minister for Housing and Local Government, and my officials will bring your consultation response to the attention of officials within our Architecture and Planning Division. We will also pursue further engagement with colleagues in our Mental Health Division, and I expect to be undertaking discussions with the Minister for Mental Health in due course around how links can be strengthened. As the draft strategy indicates, social isolation and loneliness is relevant to and impacted by a whole range of Government activity, and I will be working closely with all my Ministerial colleagues over the next period to better understand that and develop practical solutions that deliver a genuine step change in this area. I am also reflecting how work across my other portfolio responsibilities – including social security and older people – may be harnessed to this end.

As I said, I am keen to better understand those practical things that need to change, and to gain that perspective from those in local communities and those who work day in day out to deliver positive change. Your offer to pose the question to your member organisations is most welcome, and I look forward to receiving further information on this. I also look forward to continued engagement with yourself and others as we further develop this important work."

Public Health

This was the year when public health came very much to the fore of VHS's work, as Scottish Government plans for the transformation of public health finally started to take shape.

As the third sector voice on Scottish Public Health Network's (ScotPHN) National Advisory Board, VHS contributed to ScotPHN's programme throughout the year. In May 2017 VHS organised a round table to help ScotPHN engage the third sector, with a view to stronger third sector involvement in three new work streams. Three organisations, LGBT Health and Wellbeing, Stonewall Scotland and the Scottish Trans Alliance had a range and depth of knowledge about one of the workstreams that ScotPHN did not have and that they were keen to tap into. VHS published Key Messages from the round table and, meantime, the three organisations went on to have a significant influence over ScotPHN's gender identity project's development. In May 2018 ScotPHN published and sent the resultant *Healthcare Needs Assessment of Gender Identity Services* report to every Director of Public Health and to COSLA. Prior to that, at the Faculty of Public Health Scottish conference in November, ScotPHN and VHS gave a joint presentation to promote third sector and public health collaboration, using the round table as a case study. At the same conference, VHS also chaired a separate session on collaboration.

In 2017 the Scottish Government established the Public Health Oversight Board (PHOB), and VHS's Chief Officer was nominated to the PHOB by SCVO. Throughout the year, VHS held a number of meetings with key Scottish Government officials with public health responsibility, including the joint Executive Directors of the Public Health Reform programme and the head of Creating Health.

VHS undertook a significant amount of work to engage the third sector in the development of the national public health priorities, including through the Health Policy Officers Network and the *Get Real* conference, and through active engagement with SCDC and SAMH, the other third sector representatives on the PHOB. VHS participated directly in the Scottish Government's stakeholder engagement meetings in both Edinburgh and Glasgow (February 2018), having worked hard to

publicise the four events being held, contributing to the fact that 91 third sector delegates registered to attend, a quarter of all delegates.

Cross Party Group on Health Inequalities

VHS continued in its role as the very active Secretariat of the Scottish Parliament's Cross Party Group on Health Inequalities. Membership grew during the year to 60 external members and 11 MSPs, with meetings always attracting 40 to 50 attendees.

VHS ensured that the topics explored at each meeting had a strong focus on the underlying causes of health inequalities and on those groups for whom health inequalities are greatest, such as people in prison (the subject of the June 2017 meeting). Clare Haughey MSP (now Minister for Mental Health) hosted the well-attended Parliamentary reception organised by VHS to raise awareness about the CPG's work and to showcase the work of some of its member organisations (September 2017). At the CPG's AGM (October 2017) Cancer Research UK gave a presentation on obesity and cancer and the following meeting addressed the question: How can culture help address help inequalities? (December 2017). A further meeting considered the Health and Social Care Standards (January 2018) with inputs from the Care Inspectorate and Health Care Improvement Scotland.

Obesity, Diet and Food Insecurity

At the 2017 NHSScotland annual event VHS's Chief Officer Claire Stevens chaired two sessions for the Scottish Government and NHS Health Scotland, on the proposed obesity and diet strategy. She also chaired a fringe session on obesity and cancer at the SNP conference, on behalf of Cancer Research UK and Obesity Action Scotland (October 2017) and involving the then Minister for Public Health Aileen Campbell MSP (now Cabinet Secretary for Communities and Local Government). VHS also actively promoted four Scottish Government and ScotPHN engagement events on the draft strategy to ensure a strong third sector presence (December 2017 and January 2018). VHS submitted a formal response to the draft strategy, drawing heavily on its engagement with voluntary health organisations on the subject.

VHS successfully organised *A Weighty Issue*, a workshop for 80 delegates at The Gathering (February 2018) to support the wider third sector in its knowledge and understanding about the links between obesity, diet, food insecurity and health. An accompanying briefing paper on the health issues concerning obesity, a Key Messages report on the workshop discussions and a graphic report were widely disseminated. The workshop was livestreamed by Third Force News, attracting 632 live viewers, and 65 further viewers via You Tube in the following month. VHS organised the workshop as a contribution to the NHS Health Scotland Health Inequalities Learning Collaborative, whose Steering Group VHS sits on.

Community Link Working

Working with Simon Jaquet Consulting, VHS completed a short research commission for the Scottish Government, publishing and disseminating a full report: *Gold Star Exemplars: Third Sector Approaches to Community Link Working Across Scotland.* This was launched at a heavily oversubscribed seminar organised by VHS for 70 voluntary health organisations (June 2017) and has been promoted extensively since.

The Future of Mental Health

Mental health ran like a thread through most areas of VHS's work during the year, most notably in loneliness and social isolation, public health, and health inequalities. One voluntary health organisation responding to VHS's annual membership survey commented: "Mental health is perhaps the greatest inequality in social understanding and statutory resourcing".

Throughout the year VHS continued its mental health partnership with the Open University and Support in Mind Scotland. In the first part of the year the focus was on promoting understanding and dialogue about the role social support plays in mental health. The year-long programme of jointly presented events on this theme was completed in June 2017 with a fourth and final seminar, held in Stirling and attended by 45 delegates. VHS published a final *Key Messages* report to capture and disseminate the learning. The partnership then moved to focus on organising *Tomorrow's World Today: The Future of Mental Health*, a major conference for 100 delegates that would take place in June 2018, also in Stirling.

Clear Pathway

VHS completed the main objectives of its *Clear Pathway* project, which had been commissioned by the Scottish Government and designed in collaboration with the NHS Scotland Volunteering National Group and the Scottish Health Council. VHS has been an active member of the National Group for over six years. The aim of *Clear Pathway* was to develop strategic guidance for NHS Boards concerning the management of volunteers deployed in NHS settings who are not directly recruited, managed or trained by NHS Boards. The aim was to support Boards to manage the risks and capitalise on the opportunities associated with third sector volunteering so that it is always safe, effective and person-centred. The need for such guidance had been identified by VHS, Scottish Health Council and the National Group in the wake of the publication of *The Lampard Report*.

With an emphasis on identifying 'what works well' the *Clear Pathway* project set out to encourage more strategic engagement, collaboration and shared learning between NHS and third sector organisations, building on strengths to improve the effectiveness of the third sector volunteer contribution and the care and safety of patients. Practical work (from May 2016) had focused on identifying and mapping existing practice, issues and developments. During 2017 VHS developed and co-produced the guidance with its partners in Scottish Health Council, the National Group (Volunteering in NHS Scotland Programme), the Project Reference Group, and Scottish Government. Richard Hamer of Animate Consulting was engaged to undertake the writing. Milestones in the development of the guidance included publication of a poster for the NHS Scotland annual event (June 2017) and the organisation of a very successful conference: *Volunteering, the Golden Thread in Health* (September 2017).

The guidance itself was formally published by VHS in April 2018 and at the same time, the Scottish Government's National Clinical Director, Jason Leitch, wrote formally to every Health Board Chair, drawing the guidance to their attention. Promotional work and further engagement will continue during 2018/19.

Health Policy Officers Network

VHS's collaboration with the Queen's Nursing Institute Scotland went from strength to strength, and the Health Policy Officers Network ended the year with 47 individual members from 40 organisations. VHS provides the leadership and coordination for this dynamic network which supports policy officers who are either at the start of their careers or work for a small health charity. It aims to develop their skills, knowledge and confidence so as to maximise their organisation's policy effectiveness. During the year it held a number of topic-focused meetings, which helped members engage with both the subject matter and the relevant policy makers (e.g. Scottish Government officials). Topics included:

- The Lobbying Act (March 2017)
- Health and Social Care Delivery Plan (June 2017)
- The Socio-economic Duty (August 2017)
- Public Health Reform: Next Stages (September 2017)
- The Planning Bill (November 2017)
- Developing the National Public Health Priorities (December 2017)
- Obesity and Diet Strategy (January 2018)

VHS's report *The Best Bit Is That There Are No Stupid Questions* provided an overview of the meetings that took place between August 2016 and April 2017 and presented the results of a survey completed by 24 network members. The survey indicated a very high level of support for the network's approach and usefulness. One member commented: "The network provides a wonderful opportunity to get together in a supported environment to discuss different health policy areas. The best bit is that there are no stupid questions".

Get Real: Real People, Real Communities, Real Health

This was the title of the 2017 Annual Conference and AGM, taking as its theme the transformation of Prevention, Public Health and Health and Social Care Delivery. The Scottish Government public health reform team led all 140 delegates in a workshop to scope their national priorities for public health. The conference trended on Twitter on the day in Glasgow. The Key Messages and presentations were circulated within a week of the event taking place, along with the Twitter Storify and VHS's first Gif. The Chief Medical Officer for Scotland, Dr Catherine Calderwood, subsequently circulated the Key Messages to her team.

A Greener and More Active Scotland

VHS continued to be an active supporter of *Our Natural Health Service*, the Scottish Natural Heritage led programme that is helping to join up thinking and action across the national greener and healthier strategies. VHS represents the voluntary health sector on the Programme Board. In July 2017 VHS also joined the Paths for All partnership of thirty national organisations who share the vision of a happier, healthier, greener, more active Scotland.

Drink Wise, Age Well

VHS was an active promoter of a range of third sector evidence throughout the year, including evidence produced by the national Drink Wise Age Well programme led by addictions charity Addaction. VHS is a member of the Drink Wise Age Well Impact and Advisory Board for Scotland.

Health and Social Care Delivery Plan

VHS's eight page briefing on the Scottish Government's *Health and Social Care Delivery Plan* was published and disseminated to its membership and wider networks (May 17). The briefing highlighted key thinking points for the voluntary health sector, with a focus on health inequalities, public health, health and social care integration, and mental health.

Culture, Health and Wellbeing

This new theme emerged strongly towards the end of the year, arising from VHS's invitation to the Cross Party Group on Health Inequalities to meet to discuss: *How can culture help address help inequalities?* (December 2017). The Scottish Government and Creative Scotland branded the meeting as an official national engagement event in the development of the national culture strategy and it was referenced as such in the subsequent *Culture Strategy Engagement Report*. At the CPG meeting VHS undertook to take the lead in 'continuing the conversation', as it was clear from the forty participants that there was an enormous appetite to explore the topic further. VHS very quickly published a briefing paper on the topic, based on the presentations given by NHS Health Scotland, Scottish Government and Art in Healthcare. This was followed by a joint VHS/Art in Healthcare engagement with the Health and Wellbeing Group of the Royal College of Physicians Edinburgh, on the same topic (February 2018).

Looking ahead, VHS would go on to organise *Health Eats Culture for Breakfast,* a breakfast brainstorm with twenty stakeholders drawn from the Scottish Government, third sector and NHS (April 2018). The purpose of the event was to honour the commitment to "continue the conversation" and to start scoping this year's annual conference which will be called *Get the Picture: Culture, Health and Wellbeing* (November 2018).

Other Policy and Engagement

In VHS's 2017 membership survey, 98% of respondents said that knowing about and understanding policy issues was important to them. 89% said VHS's policy work gave them a better understanding of health policy areas and priorities and alerted them to new policy that they were not aware of.

As an active member of the Scottish Government's Health Literacy Action Plan Implementation Group VHS disseminated NHS NES resources to the voluntary health sector during the year, and contributed to the development of *Making it Easier*, the new phase of the Scottish Government's action plan. VHS accepted a Scottish Government invitation to join the Stakeholder and Communications and Engagement Group of the national Vaccination Transformation Programme. VHS liaised extensively with Marie Curie, Shelter and NHS Health Scotland prior to submitting and publishing a formal response to the Scottish Government consultation on the proposed socio-economic duty on public bodies.

VHS produced a briefing which provided an overview of the new GP contract for a third sector audience and detailed the changes to Primary Care and the intended outcomes for health and care in communities as well as the proposed improvement in health of patients. VHS published a second, updated briefing for its members on the implications of the Lobbying Act and submitted a formal response to the Scottish Government consultations on the Planning Bill, the Fuel Poverty Strategy and the Suicide Prevention Action Plan. In January 2018 VHS developed a small working group with Nourish Scotland and Alcohol Focus Scotland to discuss how best to influence the Planning Bill, the object being to secure a stronger health inequalities focus. The group met twice and will continue its work as the Bill continues its passage through the Scottish Parliament.

VHS commissioned and published a blog by Alzheimer Scotland on the new dementia strategy. A steady stream of other guest blogs shone a light on wide ranging topics that included smoking and mental health, realistic care at the end of life, human rights in medicine, arthritis and mental health, older people's mobility and social connectedness, alcoholism and ageing, and why health matters in the world of conservation.

Collaboration with National Intermediaries

VHS continued its membership of NHS Health Scotland's steering group overseeing the *Health Inequalities Learning Collaborative* and provided advice and support to Evaluation Support Scotland in its completion of a commissioned piece of work for the collaborative, which considered the challenges and potential ways forward in measuring the impact of third sector interventions on health inequalities. VHS's involvement in the Third Sector Health and Social Care Collaborative also continued, and VHS was a signatory to its paper on the need for much stronger involvement of the third sector in health and social integration, a paper produced for the Ministerial Strategy Group on Health and Community Care (March 2018).

As well as contributing data to the new SCVO web resource: *Policy Groups Scotland* VHS input to SCVO's mapping exercise and online resource of national intermediaries' functions and spheres of interest. VHS was an active member of Evaluation Support Scotland's intermediaries working group, set up to produce *A Resource for Understanding Intermediaries' Impact.*

VHS was one of forty-five organisations across Scotland calling on the Chancellor of the Exchequer to end the freeze on working age and children's benefits in the November 2017 budget. The letter was coordinated by the Poverty Alliance as part of Challenge Poverty Week 2017. VHS is a member of the Poverty Alliance.

Along with over fifty other voluntary organisations, VHS urged MPs to vote for Amendment NC44 to the EU Withdrawal Bill. The amendment was ultimately unsuccessful but it raised awareness about the need to safeguard the interests of vulnerable people who rely on the contribution of EU citizens to the provision of health and social care across the UK. Organisations that led the amendment were Inclusion Scotland, Camphill Scotland, Coalition of Care Providers Scotland, the ALLIANCE and SCVO.

Electronic Engagement

In addition to its face to face engagement with stakeholders, VHS shared a wide range of news and intelligence via its e-bulletin, e-alerts, social media channels and website. The popular E-bulletin was distributed monthly to over 1,400 contacts, providing both a channel to communicate health policy

news and a platform to promote awareness of the voluntary health sector. Responding to the annual membership survey, 92% of organisations said they read the e-bulletin often or sometimes.
VHS continued to make active use of Twitter as a communication tool, particularly as a means of enhancing discussion at its events. Its event at The Gathering in February 2018 was video live-streamed by SCVO and made available on You Tube. The collaboration with Glasgow Caledonian University marketing students showcased a range of social marketing techniques and campaigns. Throughout the year VHS posted a steady stream of in-house and guest blogs. VHS events were consistently reported online with *Key Messages* summarising presentations and discussion. One membership survey respondent commented that: "Event *Key Messages* are really helpful, and something I hadn't come across from other organisations or events'.

Building a Strong Network

VHS ended the year with 415 members (160 full members & 255 associate members). VHS's wider network and distribution list across sectors numbered over 1,400 contacts. The 2015-18 strategy had emphasised the importance of developing a dynamic and engaged network of voluntary health organisations, and over the three years of the strategy VHS built and sustained a pro-active approach to its membership. As part of this, VHS continued its practice of holding *Kitchen Cabinet* meetings with members, involving them in the scoping the two conferences held: *Volunteering: The Golden Thread in Health* and *Get Real: Real People, Real Communities, Real Health.*

In June 2017 VHS surveyed its member organisations, seeking feedback on VHS's new draft vision and mission statements, its key policy areas, events and communications. The survey also sought to help build a profile of member organisations, their areas of work and interests. 103 organisations completed the survey, a response rate of 66%. One of the survey questions asked respondents to sum up VHS in three words of their choosing. The words offered most frequently in response were: valuable, accessible, excellence, organised, proactive, networked, informative, broker, support and positive. The Board of Trustees considered the results of the survey carefully as part of the process of developing the new three year strategy 2019 -21.

FINANCIAL REVIEW

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The charity recorded an overall deficit of £8,722 for the year (2017: £11,006) due to the use of restricted funds brought forward. There was a surplus of £24,107 (2017: £31,727) on unrestricted funds.

Total funds as at the year-end amounted to £20,243 (2017: £28,965) including restricted funds of £NIL (2017: £32,829) and a surplus of £20,243 (2017: deficit £3,864) on unrestricted funds.

The company's principal funding during the year came by way of grants from the Scottish Government and NHS Health Scotland.

Reserves policy

The charitable company wishes to follow best practice and build up free reserves to a level that would cover three months' operating costs, which is around £60,000 to £65,000. Free reserves as at 31 March 2018, being unrestricted non designated funds before deduction of pension liability, were £108,613 (2017: £91,086).

Risk Management

The Risk Register was updated twice and became a standing item on Board business meeting agendas. The Board decided that, starting in 2018/19, a different risk will be reviewed at each business meeting. Insurances were reviewed and updated.

During the year staff attended a number of external workshops on the General Data Protection Regulations (GDPR). A data mapping exercise was carried out and a plan drawn up to ensure VHS remains compliant with the Regulations.

VHS registered under the Lobbying (Scotland) Act and appointed one of the staff team as its internal compliance officer. The Board received a presentation on the background and key steps under the Act from the Scottish Parliament Lobbying Registrar, to ensure they were fully aware of VHS's responsibilities under the Act.

The Directors continued to actively manage the company's SVSPS Pensions Trust liabilities. VHS is a participant in the group exercise initiated by SCVO in 2016/17, designed to potentially reduce liabilities even further. The exercise involves around seventeen charities working with Spence and Corporate Benefits to offer individual pension members the opportunity to transfer out of the scheme, where it is financially advantageous for the individual to do so. The results of the exercise will be known in the second half of 2018/19.

PLANS FOR FUTURE PERIODS

2018/19 marks the first year of VHS's vibrant new three year strategy. This sets out the vision of a healthier, fairer Scotland served by a thriving voluntary health sector and a mission to improve people's health and wellbeing by providing an effective national network for voluntary health organisations. The strategy includes a revised set of values: excellence, collaboration and initiative, and it anchors VHS's work around the four priority health themes of health inequalities, public health, health and social care integration and mental health. Three new strategic priorities are stated:

1. We will work for sustainable improvement in public health, mental health, and health and social care services and for the prevention, mitigation and reduction of health inequalities
2. We will amplify the voice and influence of the voluntary health sector on health matters, and support the sector to understand and engage with health related priorities, policy and systems
3. We will promote the voluntary health sector's role, expertise and evidence to a wide audience, and we will work to make effective collaboration and partnerships on health related matters between the public and voluntary health sectors more normal and valued.

VHS has the continued financial support of the Scottish Government and NHS Health Scotland for 2018/19 and is working actively to maintain this support for future years. Dialogue is underway with NHS Health Scotland to establish the funding implications for VHS of the establishment of Public Health Scotland in 2019.

The Board of Directors agreed to introduce a modest membership fee increase in April 2018, the first in at least seven years. The Directors also agreed that VHS should continue to grow its earned income through event sponsorship and fees, whilst staying mindful of the need to serve the membership and not create financial barriers to participation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

VHS was incorporated on 3 May 2004 and obtained charitable status on that date. The charity had previously operated (from 2000) as a project within the Scottish Council for Voluntary Organisations, set up in 2000, but commenced its operation as an independent charitable company limited by guarantee on 1 July 2004. The company was established under a Memorandum of Association, which sets out the objects and powers of the company, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Election and co-option of Directors

The company's Directors act in a voluntary, unpaid capacity to provide strategic direction for the organisation and to undertake the obligations of charity trustees and company directors. The Articles of Association set out the terms for the appointment of Directors. Elected Directors may be appointed by the company's full members at the AGM and/or by the Directors. Co-opted Directors may be appointed and re-appointed by the Directors. A maximum of ten elected Directors is allowed and a maximum of three Co-opted Directors. The terms of office that the different categories of Directors may serve are set out in the Articles. The Directors of the company are also charity trustees for the purposes of charity law and together form the Board of Directors.

Induction and conduct of Directors

The Board of Directors met in full on four occasions, holding three business meetings and a strategy development day (the latter jointly with staff). The main focus of the Board's business during the year was to develop a new three year strategy for 2019-21, work which was successfully completed.

Two Board working groups also met a number of times: the Financial Sustainability Group and the Constitution Review Group. Individual Trustees engaged actively with the business of VHS in a number of additional ways, including advice and support to the Chief Officer, representation of VHS at external engagements, and chairing or speaking at VHS events.

In May 2017 the Board of Directors co-opted Rob Murray of *Changing Faces* onto the Board. In August 2017, VHS's Chair Lorna Hunter resigned from the Board to take up work in the Middle East, and Vice Chair Allyson McCollam agreed to act as Interim Chair until the AGM.

The AGM was held on 16th November 2017 and was well attended. Two Trustees retired at the AGM: Alan Cowan and Margaret Totten. Margaret had been a Trustee from the onset of the charity being established. Three new Trustees were elected: Nicola Hanssen of *ROAR: Connections for Life*, Pete White of *Positive Prison? Positive Futures* and Ian Brooke of *Edinburgh Voluntary Organisations Council*. Rob Murray, previously a co-opted member, was also elected to the Board.

After the AGM, the Board of Directors agreed the following office bearer appointments: Allyson McCollam, Chair; Pete White, Vice Chair; Frances Simpson, Treasurer.

New Directors received information to assist them to understand their remit and responsibilities and were given the opportunity of an induction meeting. The written information included VHS's Memorandum and Articles of Association, the three year strategy, the annual operational work plan, and the Report and Financial Statement for the year ending 31st March 2017.

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number
SC267315

Charity Number
SC035482

Directors

Allyson McCollam	Chair (from 29 August 2017)
Lorna Hunter	Chair until 28 August 2017 (resigned 28 August 2017)
Peter White	Vice Chair (appointed 16 November 2017)
Frances Simpson	Treasurer
Ian Brooke	(appointed 16 November 2017)
Alan Cowan	(resigned 16 November 2017)
Norman Craig	
Nicola Hanssen	(appointed 16 November 2017)
Allan Johnstone	
Billy McClean	
Rob Murray	(appointed 11 May 2017)
Eric Samuel	
Karen Sutherland	
Margaret Totten	(resigned 16 November 2017)

Staff Team

Claire Stevens	Chief Officer (Key management personnel)
Lauren Blair	Programme Engagement Officer
Alison Crofts	Membership and Administrative Officer
Kiren Zubairi	Policy Engagement Officer
Jenny Lester	Communications assistant (resigned 5 April 2018)

Company Secretary
Claire Stevens

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Independent Examiner
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Whitelaw Wells Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

Bankers
Unity Trust Bank
9 Brindleyplace
Birmingham B1 2HG

Solicitors
Burness Paull
242 West George Street
Glasgow G2 4QY

DIRECTORS AND THEIR RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006.

Approved by the Board of Directors on 2 October 2018 and signed on their behalf by:

Allyson McCollam
Chair, VHS

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2018

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts for the year ended 31 March 2018 as set out on pages 15 to 27.

Respective responsibilities of the Trustees and the Independent Examiner
The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (as amended) does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement
In the course of my examination, no matter has come to my attention:

1) which gives me reasonable cause to believe that in any material respect the requirements:

   - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations (as amended) and section 386, 387, 477 and 482 of the Companies Act 2006; and
   - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

   have not been met; or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ingela Louise Presslie
Whitelaw Wells Chartered Accountants
9 Ainslie Place
Edinburgh, EH3 6AT

2 October 2018

VOLUNTARY HEALTH SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
Income from:					
Charitable activities	2	19,821	195,000	214,821	237,601
Investments		282	-	282	89
Total		20,103	195,000	215,103	237,690
Expenditure on:					
Charitable activities	3	4,374	220,733	225,107	244,131
Total		4,374	220,733	225,107	244,131
Net income/(expenditure)	4	15,729	(25,733)	(10,004)	(6,441)
Transfers between funds	12	7,096	(7,096)	-	-
Actuarial gains/(losses)	15	1,282	-	1,282	(4,565)
Net movement in funds		24,107	(32,829)	(8,722)	(11,006)
Reconciliation of funds:					
Total funds brought forward		(3,864)	32,829	28,965	39,971
Total funds carried forward	12	20,243	-	20,243	28,965

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

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

The notes on pages 17 to 27 form part of these financial statements.

VOLUNTARY HEALTH SCOTLAND

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	7		-		191
Current assets					
Debtors	8	516		862	
Cash at bank and in hand		115,599		132,878	
		116,115		133,740	
Current liabilities					
Creditors: amounts falling due within one year	9	(7,502)		(9,824)	
Provision for liabilities due within one year	15	(7,309)		(7,096)	
Net current assets			101,304		116,820
Total assets less current liabilities			101,304		117,010
Provision for liabilities due in more than one year	15		(81,061)		(88,045)
Net assets	13		20,243		28,965
Funds					
Unrestricted funds: General fund			108,613		91,086
Designated funds			(88,370)		(94,950)
Restricted funds			-		32,829
	12		20,243		28,965

The Directors are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477 and that no member or members have requested an audit pursuant to section 476 of the Act. The Directors acknowledge their responsibility for:

(i) ensuring that the charitable company keeps proper accounting records which comply with sections 386 and 387 of the Act; and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Act.

Approved by the Board on 2 October 2018 and signed on its behalf by:

Allyson McCollam, Chair

The notes on pages 17 to 27 form part of these financial statements.

1. Accounting policies

(a) Basis of accounting

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 (FRS102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

The charity constitutes a public benefit entity.

VHS has confirmed funding from the Scottish Government and NHS Health Scotland until 31 March 2019. VHS maintains regular contact with the funders, reporting on progress and discussion plans for the future. The Directors anticipate agreeing a further business case with the funders during the fourth quarter of 2018/19. In expectation of continued support, the Directors have continued to adopt the going concern basis of accounting.

(b) Income

All income is included in the Statement of Financial Activities when the charity has entitlement and the amount can be quantified with reasonable accuracy. Income is only deferred where it is specified for a future period by the funder or where pre-entitlement conditions have not been met. The following specific policies are applied to particular categories of income:

- Income from charitable activities is recognised in the Statement of Financial Activities when the charity becomes unconditionally entitled to the income. Where related to performance and specific deliverables, income is accounted for as the charity earns the right to consideration by its performance.
- Income from subscriptions, conference, service fees and investment is included when receivable.
- The value of services provided by volunteers has not been included in the accounts.

(c) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. The charity is not registered for VAT and, accordingly, costs are shown gross of irrecoverable VAT.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its members. It includes both costs that can be directly attributed to such activities and those of an indirect nature necessary to support them, including governance costs. Indirect costs are allocated across activities based on an analysis of salary time.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(d) Depreciation

Assets are initially included at cost. Items of expenditure are only capitalised where the purchase price exceeds £250. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Computers - 25% straight line
- Furniture & equipment - 25% reducing balance

1. Accounting policies (continued)

(e) Operating lease agreements

Rentals applicable to operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged against the Statement of Financial Activities on a straight line basis over the life of the lease.

(f) Funds

Unrestricted funds are incoming resources received for the objects of the charity without further specified purpose and are available for use at the discretion of the directors.

Designated funds are unrestricted funds allocated by the Directors for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure meeting these criteria is charged to the fund.

(g) Pensions

The Charity is a participating employer in The Pensions Trust Scottish Voluntary Sector Pension Scheme ("The Scheme"), which provided benefits based on final pensionable pay. The Scheme closed to future accrual on 31 March 2010. The assets of the Scheme are held separately from those of the charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the shares of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer Scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Consequently the Board of Trustees have followed the FRS102 requirement to account for the contributions to the scheme as if it were a defined contribution scheme and to include on the balance sheet a provision for the present value of the deficit reduction payment pan.

The Charity now provides pension contributions for employees to defined contribution schemes.

(h) Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 s11 and are accounted for at the settlement amount due which equates to the cost or amount prepaid. Financial assets comprise cash and other debtors and financial liabilities comprise accruals.

2. Income from charitable activities

	Unrestricted Funds £	Restricted funds £	2018 Total £	2017 Total £
Grants receivable				
Scottish Government and NHS Health Scotland	-	195,000	195,000	215,000
	-	195,000	195,000	215,000
Event income, incl NHS Health Scotland funding	13,681	-	13,681	16,202
Fees for services	-	-	-	619
Membership subscriptions	6,140	-	6,140	5,780
	19,821	195,000	214,821	237,601

During the year there were restricted grants amounting to £195,000 (2017: £205,000). All other income was unrestricted in both the current and previous years.

3. Total resources expended

	Engagement & partnership £	Evidence building £	Policy influencing £	Comm-unications £	Building a strong network £	Resources & develop-ment £	2018 Total £	2017 Total £
Events and communications	5,250	3,156	3,598	6,053	2,957	1,636	22,650	22,593
Staff costs (Note 5)	39,543	25,063	28,289	30,092	20,361	10,230	153,578	165,625
Other staff costs	725	436	497	836	408	226	3,128	6,783
Rent and service charges	5,073	3,050	3,477	5,849	2,857	1,581	21,887	23,660
Other overhead costs	2,079	1,250	1,425	2,397	1,171	649	8,971	7,580
Legal and professional fees	151	91	103	174	85	46	650	611
Research and consultancy fees	2,156	1,296	1,478	2,486	1,214	672	9,302	10,569
Depreciation and loss on disposal of asset	44	27	30	51	25	14	191	356
Pension scheme interest payable (note 15)	373	224	255	429	210	116	1,607	2,331
Governance costs								
Independent examiner's fees	515	309	353	593	290	160	2,220	1,860
Board meeting and development costs	214	129	147	247	120	66	923	2,163
	56,123	35,031	39,652	49,207	29,698	15,396	225,107	244,131

Included above is restricted expenditure amounting to £220,733 (2017: £240,844).

4. Net income/(expenditure) for the year

This is stated after charging:	2018 £	2017 £
Depreciation	191	356
Independent examiner's remuneration	2,220	1,860
Operating lease rentals:		
Land and buildings	18,056	16,243

Six (2017: six) board members were reimbursed travel expenses during the year amounting to £457 (2017: £446) in total.

The charity paid £915 (2017: £982) during the year for the purchase of insurance that included indemnity cover to protect the charity from loss arising from the neglect of default of its Directors, employees or other officers and the consequences of any such neglect or default.

5. Staff Costs

	2018 £	2017 £
Salaries and wages	133,738	144,815
Employer's social security costs	9,927	10,973
Employer's pension costs	9,913	9,837
	153,578	165,625

The average number of employees during the year, on a head count basis, was as follows:

2018	2017
5	5

No employee was paid a salary of more than £60,000 (2017: none) and no director received any remuneration (2017: none). Key management personnel received total remuneration, including employer pension contributions, amounting to £45,778 (2017: £45,325) during the year.

6. Taxation

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

7. Tangible Fixed Assets

	Computer equipment £	Total £
Cost		
At 1 April 2017	2,629	2,629
Disposals	-	-
At 31 March 2018	2,629	2,629
Depreciation		
At 1 April 2017	2,439	2,439
Charge for the year	191	191
Disposal	-	-
At 31 March 2018	2,629	2,629
Net Book Value		
At 31 March 2018	-	-
At 31 March 2017	191	191

8. Debtors

	2018 £	2017 £
Prepayments	516	862

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	2,096	2,978
PAYE and NI	3,156	3,593
Pension contributions	834	1,083
Deferred income (Note 10)	1,416	2,170
	7,502	9,824

10. Deferred income

	Subscriptions £	Grants £	Total 2018 £	Total 2017 £
Balance at 1 April 2017	2,170	-	2,170	90,580
Repaid in year	-	-	-	(45,000)
Released to Statement of Financial Activities	(2,170)	-	(2,170)	(45,580)
Income received and deferred in year	1,416	-	1,416	(2,170)
Balance at 31 March 2018	1,416	-	1,416	2,170

11. Operating lease commitments

At 31 March 2018 the charity had aggregate commitments under non-cancellable operating leases for rent and service charges payable as set out below:

	2018 £	2017 £
Payable within one year	9,208	10,632

12. Funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains/ losses £	At 31 March 2018 £
Unrestricted funds						
General funds	91,086	20,103	(2,576)	-	-	108,613
Designated funds:						
Fixed assets	191	-	(191)	-	-	-
Pension provision	(95,141)	-	(1,607)	7,096	1,282	(88,370)
	(3,864)	20,103	(4,374)	7,096	1,282	20,243
Restricted funds						
Strategic work programme	7,267	195,000	(195,171)	(7,096)	-	-
Short term projects	25,562	-	(25,562)	-	-	-
	32,829	195,000	(220,733)	(7,096)	-	-
Total funds	28,965	215,103	(225,107)	-	1,282	20,243

12. Funds (continued)

The designated fixed asset fund represents the net book value of tangible fixed assets held by the charity.

The designated pension provision fund represents the liability for pension deficit recovery payments, as explained at note 15.

The Strategic work programme fund is to carry out the annual work plan agreed with the Scottish Government and NHS Health Scotland, in furtherance of VHS's objectives as the national intermediary body for the voluntary health sector in Scotland.

The short term projects fund was for 2 projects: Learning to Lead in Health & Digital Inclusion for Health set up and was completed in 2014/15. Funds carried forward have been used to continue to support activities designed to strengthen leadership and partnership working in and between voluntary health organisations and their partners.

The fund transfer represents payments made against the pension provision from the Strategic work programme fund.

13. Analysis of funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	-	-	-
Net current assets	101,304	-	101,304
Pension provision payable in more than one year	(81,061)	-	(81,061)
	20,243	-	20,243

14. Related party transactions

There were no transactions with related parties undertaken in either the current or previous year.

15. Pensions

The company participates in the Scottish Voluntary Sector Pension Scheme ("the scheme"), a multi-employer scheme which provides benefits to some 95 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £88.22m, liabilities of £122.15m and a deficit of £33.93m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

<u>Deficit contributions for entire scheme</u>

From 1 April 2016 to 31 October 2029:	£1,323,116 per annum
	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2031:	£292,376 per annum
	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2031:	£37,475 per annum

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation showed assets of £66.21m, liabilities of £95.04m and a deficit of £28.83m. To eliminate this funding shortfall, payments consisted of £1,490,000 per annum, increasing by 3% each 1st April until 31 March 2028.

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

15. Pensions (continued)

	2018 £	2017 £
Present value of provision for Voluntary Health Scotland	88,370	95,141

Reconciliation of Opening and Closing Provisions

	2018 £	2017 £
Provision at start of period	95,141	95,134
Unwinding of the discount factor (interest expense)	1,607	2,331
Deficit contribution paid	(7,096)	(6,889)
Remeasurements - impact of any change in assumptions	(1,282)	4,565
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	88,370	95,141

Income and Expenditure Impact

	2018 £	2017 £
Interest expense	1,607	2,331
Remeasurements – impact of any change in assumptions	(1,282)	4,565
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	9,913	7,472

Assumptions

	2018	2017	2016
Rate of discount (% per annum)	2.01	1.76	2.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

15. Pensions (continued)

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit Contributions Schedule

	2018	2017
	£	£
Year 1	7,309	7,096
Year 2	7,528	7,309
Year 3	7,754	7,528
Year 4	7,987	7,754
Year 5	8,226	7,987
Year 6	8,473	8,226
Year 7	8,727	8,473
Year 8	8,989	8,727
Year 9	9,259	8,989
Year 10	9,537	9,259
Year 11	9,823	9,537
Year 12	5,902	9,823
Year 13	-	5,902

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

Contingent liability

Voluntary Health Scotland has been notified by The Pensions Trust of the estimated employer debt on complete withdrawal from The Scottish Voluntary Sector Pension Scheme, based on the financial position of the Scheme as at 30 September 2016. At this date the estimated employer debt for Voluntary Health Scotland was £308,060, which includes the provision recognised in the financial statements above. The Directors have no intention of withdrawing from the scheme in the foreseeable future.