



**VOLUNTARY HEALTH SCOTLAND**  
**(a company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

**CHARITY NO: SC035482**

**COMPANY NO: SC267315**

**WHITELAW WELLS**

Chartered Accountants & Registered Auditors  
9 Ainslie Place  
Edinburgh  
EH3 6AT

**VOLUNTARY HEALTH SCOTLAND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

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# **VOLUNTARY HEALTH SCOTLAND**

**YEAR ENDED 31 MARCH 2021**

## **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 2021.

### **OBJECTS AND ACTIVITIES**

Voluntary Health Scotland (VHS) is the national intermediary and network for voluntary health organisations in Scotland. Its full members comprise national, local and cross-border charities working to improve and support the health and wellbeing of people in Scotland. It also has associate members that may be individuals or organisations from any sector wishing to support VHS's work. Beyond its own members, VHS works with a wide range of stakeholders across the third and community sector, Scottish Government, NHS boards, Health and Social Care Partnerships, other public sector and academia.

VHS's charitable purposes are the advancement of health, education, citizenship and community development, and the relief of those in need. It advances these areas through:

- The provision of an effective network for voluntary health organisations
- Working for sustainable improvements in health and social care services, health improvement and public health
- Working to prevent, mitigate and reduce health inequalities, including through education and awareness-raising about the underlying causes of such inequalities, including poverty and discrimination
- Supporting voluntary health organisations to improve their knowledge, understanding and skills to engage with health related priorities, policy, systems, personnel and partnerships
- Promoting the voluntary health sector's role, expertise and evidence to a wide audience
- Working to make effective collaboration and partnerships on health related matters between the public and voluntary health sectors normal and valued.

This report provides the Directors' account of the fourth year of VHS's current three year strategy which ran from April 2018 to March 2021 and was rolled forward for a further year, through to March 2022. A new three year strategy is being prepared during the course of 2021/22.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Building a strong network**

VHS ended the year with 384 members (147 full members and 237 associate members). During what was a very challenging year for all voluntary health organisations, we were pleased to welcome 9 new full members and 15 new associate members. VHS's combined membership and participant network now numbers over 2,500 individuals and we have 4,300 Twitter followers.

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### **Covid-19 response**

VHS prepared swiftly for the first national lock-down and the team moved to home working from 19<sup>th</sup> March 2020. This took a great deal of effort and incurred costs but meant VHS stayed resilient and functional at all times. Our new digital mission and focus meant VHS strived at all times to deliver better events, policy work and engagement and to reach, understand and collaborate with our members and partners in new and effective ways. The result was very high levels of engagement and productivity throughout, despite the many challenges during the year.

In March 2020 our work immediately pivoted to focus on the impact Covid-19 was having on voluntary health organisations and on the health and wellbeing of the people and communities they serve. The scheduled 2020/21 work programme was revised to take the pandemic into account, a business continuity plan implemented, and the frequency of board meetings increased. VHS remained energetic, pro-active and responsive to the year's changing needs and demands, and resilient in the face of the high levels of uncertainty.

We instigated special COVID-19 bulletins so as to disseminate guidance, funding information and other news as fast as possible. We set up a dedicated Covid-19 resource on our website and published over 20 COVID-19 themed guest blogs which we promoted widely through our bulletins and social media. Guest bloggers included Chest Heart and Stroke Scotland, Cancer Support Scotland, Breastfeeding Network, RNIB, Lorn and Oban Healthy Options, Highland Hello, Break the Silence and Scottish Mediation. Our Policy Engagement Officer was the subject of a video podcast on loneliness, self-isolation and long term effects of COVID-19 on the Common Weal news channel SOURCE. Our Chief Executive was interviewed by Health and Care Scotland, on the vital role of charities during COVID-19 and beyond.

We reached out to the newly operational Public Health Scotland in April 2020 and joined their steering groups of the COVID-19 Social Mitigation Cell and the COVID-19 Recovery and Supporting Services Cell. These eventually merged to become the Social System and Recovery Programme and we served on the overall Advisory Group until it was disbanded in November. We were also members of Public Health Scotland's Inclusion Health sub-group and Food Insecurity sub-group, both part of the Social System and Recovery programme.

During the year we were members of the Scottish Government's Shielding Policy Group and Public Health Scotland's Shielding Evaluation Group. In November we supported the Shielding Programme rapid evaluation by designing, recruiting and facilitating two focus groups with a total of 19 third sector organisations. The findings of the focus groups were fed into the final evaluation report to the Scottish Government of the Covid-19 shielding experience Shielding Programme Rapid Evaluation.

### **Evidence gathering and collaboration**

During the year VHS organised 41 external engagement, evidence gathering, learning and knowledge exchange events, supporting the workforces of health charities and other voluntary health organisations, and engaging NHS, health and social care partnership and other public sector participants. In all, 1,500 people participated. All events were held online, a significant innovation for VHS, enabling us to more than double our normal output of events and extend our reach much further throughout Scotland.

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Our immediate response to the crisis was to carry out research to establish its initial impact on the health and wellbeing of people, communities and voluntary health organisations. We did this via a member survey that ran from 26<sup>th</sup> to 31<sup>st</sup> March 2020 and elicited 143 responses. We published a Research Briefing on 2<sup>nd</sup> April which we disseminated widely, with a strong emphasis on getting the attention of the Scottish Government and Public Health Scotland. As this was one of the very earliest third sector surveys conducted in the lockdown it was widely picked up on, and the issues highlighted in the briefing remained strongly relevant throughout the year. We received external media coverage for the survey's findings: Health Charities Revenues Plummet as Demand Soars

We organised four general Members Meet-Ups to enable a total of 69 third sector participants to share their experience of the impact of COVID-19 and the lock-down. We published summaries from three of the discussions, Key Messages 31st March and 1st April and Key Messages 23rd April. We used these as a resource and evidence, again pushing them out to the Scottish Government and Public Health Scotland. The fourth Members Meet-Up was on 6<sup>th</sup> October. Our sector continually expressed concern about a raft of inter-connected inequalities issues that had been thrown into relief and exacerbated by the pandemic and which our initial survey had highlighted: poverty, digital exclusion, poor mental health, social isolation and loneliness, food insecurity, and lack of access to services and support.

Jointly with ACOSVO we also held two Health Leaders discussions on 27<sup>th</sup> April and 3<sup>rd</sup> June, with 36 third sector participants in total. We published a summary of key themes from the first event, Key Messages 27th April.

We collaborated with the Scottish Government Covid-19 Modelling and Analysis Hub to deliver three VHS workshops in November, December and March, which presented the government's ongoing research into the impact of Covid-19 on communities and the priorities for recovery.

### **Covid-19 and Flu Vaccinations**

By January 2021 it was clear that high levels of take-up of the Covid-19 vaccine would be fundamental in the battle to control the pandemic, move forward with social and economic renewal, recover services and restore life as we used to know it. VHS knew it was crucial that the policy makers in charge understood the enablers and barriers to the take-up of the vaccine and we had a strong sense that the third sector would have unique insights into these. We were concerned to ensure that the distribution of the COVID-19 vaccine didn't inadvertently widen the health inequalities gap, by leap-frogging and leaving behind population groups who already face the greatest inequalities, who find healthcare harder to access and who need more support to do so. In January 2021 we decided to carry out research that could influence the equitable roll-out of Covid-19 vaccine in Scotland. Our main objective was to gather what might be vital third sector intelligence and share it with policy makers in the Scottish Government and Public Health Scotland, including the Flu Vaccine and Covid-19 Evaluation Working Group of which we are members.

We published the research on 1<sup>st</sup> April 2021 in the form of a short report and recommendations, Vaccine Inclusion: Reducing Health Inequalities One Vaccine at a Time. We presented our initial findings on 10<sup>th</sup> March, first at a VHS event and then at a Deep End GPs round table. Thereafter, it became clear that our findings were circulating widely amongst the public health community and that they were seen as credible, authoritative, and also unique, in so far as there wasn't comparable data available anywhere. In mid-March, at the behest of Ministers the Scottish Government established a cross-sectoral Covid-19 Inclusive Vaccine Programme, and invited VHS to join the steering group. This programme quickly gained traction, with health boards asked to develop and share their local inclusive vaccine plans with the government. At its meeting of 7<sup>th</sup> April 2021, the steering group agreed to adopt the recommendations

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we had set out in our research. Meantime, VHS began collaborating with NHS Lothian, Edinburgh and Lothians Health Foundation and Lothian's four Third Sector Interfaces (TSIs), in an initiative to gather localised data, influence NHS Lothians' vaccine delivery plan, and support grassroots organisations (via a small grants scheme) to support excluded communities and service users to take up the vaccine.

### **Cross Party Group on Health Inequalities**

As Secretariat to the Scottish Parliament's Cross Party Group (CPG) on Health Inequalities, VHS supported the group's 80 external organisational members and 11 MSP members to meet regularly and raise parliamentary awareness about health inequalities, their causes and what can be done to prevent, mitigate and reduce them. We maintained an overall mailing list for the CPG which grew to 330 individuals by the end of the year. We held the group's first online meeting on 14<sup>th</sup> May, with 78 participants drawn from the third sector, GPs, Royal Colleges, NHS, health and social care partnerships, and academia. Presentations and discussion focused on Covid-19, and as well as publishing the CPG's minutes and presentations we published a Briefing Note on Covid-19 which summarised participants' views on what action was needed to prevent the pandemic exacerbating inequalities. Ahead of this May meeting, VHS successfully submitted a motion to the Scottish Parliament via Anas Sarwar MSP, which acknowledged the vital role of the voluntary and community sector during Covid-19 and was supported by twenty further MSPs.

The CPG's second meeting of the year and AGM were also held online, on 13<sup>th</sup> October, with 76 participants. The topic for discussion was the need for a human rights approach to inclusion, with a focus on a Public Health Scotland paper which VHS had helped co-produce: Inclusion Health Principles and Practice - Mitigating the Impact of Covid-19. We received additional coverage for this paper via a Public Health Scotland website announcement and published our own blog about the paper. As usual we published the minutes and presentations of the CPG meeting.

As required by the Scottish Parliament, in October VHS submitted the formal Annual Return to the Standards Committee. The final CPG meeting of the Parliamentary session was held on 26<sup>th</sup> January, with 55 attending to examine the deep social exclusion that homeless people experience when terminally ill and dying. As usual, we published the minutes and presentations. Ahead of the Scottish Parliament elections on 6<sup>th</sup> May 2021, all CPGs were formally disbanded. VHS will make efforts to gain sufficient MSP support so as to re-establish the CPG now that the new Parliamentary session is underway, and having gathered views from the CPG's members about the need for the group's work to continue. A typical feedback comment was, *"this CPG has an even greater contribution to make now than before, in respect of supporting communities with post-pandemic recovery and health inequalities across both public health and integrated health and social care"*.

### **Volunteering in health settings**

In August we published the Rocket Science Evaluation Report on VHS's Clear Pathway Guidance for NHS Boards on best practice in working with third sector partners to engage volunteers in NHS settings. The dissemination communication plan included National Clinical Director Jason Leitch writing formally to every Health Board with a copy of the report and the Scottish Government's Third Sector Unit sending it to every Third Sector Interface. During 2021/22 we plan to reconvene the project reference group to look at what steps are needed to help implement recommendations. In tandem with this work, we continued to be a partner in the NHS Scotland Volunteering Programme National Group.

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### Mapping VHS's charitable members

Over the summer of 2020 VHS conducted a desk-based analysis of the charities that are our members and charities in the wider voluntary health sector. To be an effective intermediary body VHS needs to understand the nature and make-up of the sector we seek to support. We used raw data provided to us by OSCR immediately pre-Covid, showing that 4,448 charities (18% of all registered charities in Scotland) were directly involved in the advancement of health at that point. We produced an internal briefing paper with our analysis, for our Board, and it has provided us with a rich source of data to help us build a picture of the characteristics of the significant numbers of charities in Scotland working to support people's health. The report demonstrated the potential for VHS to expand its reach geographically, do more to support smaller and medium sized charities, continue to develop our digital offer so as to extend our reach, be more attuned to intersectionality issues and improve our engagement with organisations working in the areas of BAME and other equalities.

### Building Forward for Better Health and Wellbeing

VHS successfully delivered its *Building Forward for Better Health and Wellbeing* annual conference and AGM online over 4<sup>th</sup> and 5<sup>th</sup> November, for 120 registered delegates.

From feedback received, the conference was very well-received, particularly Wigan's Director of Public Health Kate Ardern, the Faculty of Public Health's Chair Maggie Rae, the workshops and the poster session featuring our eight poster entrants. Key take-aways were the clear message that the third sector workforce was running on empty at this stage in the pandemic, and the continued need to push for real preventative work as well as more and better collaboration and partnership working across and within sectors. Kate Ardern's assertion that 'we are all directors of public health now' resonated well with our hashtag #WeArePublicHealth. A number of people wrote to thank us, e.g. Volunteer Edinburgh: "*a big thank you to you and your team for a great conference. Great speakers and interactions – informative, inspiring and humbling – and so well organised and facilitated*".

The media platform Health and Care Scotland published a good synopsis of our Day 1 keynote speakers, Spotlight on Public Health, a Monumental Opportunity. We published post-conference blogs by the VHS Chair and Chief Executive and all conference presentations, posters and blogs as well as Key Messages.

### Digital inclusion and health

The coronavirus crisis has demonstrated to health organisations that working digitally is more important than ever before, whether they are in the public, private or third sector. The crisis has driven fundamental changes in how services and support have had to be delivered, some of which may become permanent, or part of, a blended offer. VHS's twelve months of evidence gathering from third sector organisations continually demonstrated that this digital switchover has brought pluses and minuses for our sector's beneficiaries and service users, as well as for organisations, their paid workforces and volunteers.

During 2020/21 three of our online engagement events specifically explored the theme of digital and health, with Key Messages published from the first two events: Digitally Healthy held on 9<sup>th</sup> April and Digitally healthy, health literacy and health inequalities held on 23<sup>rd</sup> June. The third event, *Renewing Scotland's Potential in a Digital World*, held on 3<sup>rd</sup> December for 31 participants provided third and public sector participants with the opportunity to hear Scottish Government officials outline the priorities for the refresh of the digital strategy and to help shape the VHS detailed response to the

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discussion document. Our response generated positive feedback from the Scottish Government Digital Team, who wrote, *"On behalf of the team, I would just to like to say a big thank you for getting involved in the conversation around digital and for dedicating the time to putting together such an insightful and detailed response."* NES Digital Service also commented, *"This is a really excellent response...well done to you and the team for pulling it together."*

Throughout the year we published a number of guest blogs illustrating the range of voluntary health sector digital responses to the pandemic, including blogs by Scottish Families Affected by Alcohol and Drugs, Terrence Higgins Trust, British Heart Foundation, Parkinson's, Samaritans, Macmillan, CLiCK, and Art in Healthcare.

### **Food insecurity, poverty and health**

Covid-19 related food insecurity was a major concern for the voluntary health sector throughout the year. We organised an online, third sector round table on 4<sup>th</sup> June to assist Public Health Scotland to engage with 31 voluntary organisations about these issues, and published the resulting Key Messages. We then held an event on food insecurity, poverty and health (7<sup>th</sup> October), for Challenge Poverty Week, with The Poverty Alliance as our named partner. 21 people participated, including contributors with lived experience from Ferguslie Park in Paisley and Kilmarnock. We again published Key Messages and used these as the basis of our submission to the Scottish Government Social Renewal Board's October 'call for ideas'. In tandem with these events VHS made a significant contribution to Public Health Scotland's Covid-19 food insecurity group, contributing evidence and intelligence which it would not otherwise have had in the development of a national framework for avoiding/managing future food insecurity.

### **Arts, culture, health and wellbeing**

Throughout the year we continued to provide development and secretarial support for the growing network, Arts Culture Health and Wellbeing Scotland (ACHWS). We conducted the detailed work that saw it successfully registered as a Scottish Charitable Incorporated Organisation in March 2021 and organised and hosted all of its committee meetings. We hold and manage two development grants on ACHWS's behalf: £12,000 from Creative Scotland and £10,000 from the Scottish Government's Culture Strategy division. We have a role in the Rocket Science team conducting a national mapping exercise on behalf of Creative Scotland on the extent and nature of arts and health in Scotland.

With the participation of ACHWS we held a very popular event on 1<sup>st</sup> July to explore creative responses to social isolation and loneliness during the pandemic. It was attended by 80 people from across the arts, culture, health and third sectors, and had a waiting list of 40 further people. Key Messages were published. We also produced ACHWS's first online event, *Caring, Creativity and Connectedness During Covid-19* (17<sup>th</sup> November) with 45 attendees, and we published two of the presentations as blogs.

On 22<sup>nd</sup> October we held the first of two meetings called *Art in the Community: Community Link Workers and the Arts*. This meeting, and the subsequent one on 24<sup>th</sup> February, was designed to break down barriers and build relationships and understanding between the arts and health. Organised for and with Edinburgh Health and Social Care Partnership, we have had inputs from EVOG, Artlink Edinburgh, Tinderbox, and North Edinburgh Arts as well as a number of artists and community link workers from across Edinburgh. This work has successfully fostered new avenues for social prescribing, and the collaboration will continue into 2021/22.



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### **Ageing well**

In partnership with the Open University, VHS held a series of seven online talks on the theme of *Ageing Well*, with 366 registered participants across the series, culminating in a Knowledge Exchange on 27<sup>th</sup> January. We published the presentations from all of the events.

### **Scottish/UK Health Charities Leaders Group**

In response to an approach from British Heart Foundation and Diabetes UK we facilitated the establishment of this new group and organised three meetings. The group comprises nine leaders of the largest health charities working in Scotland, the model loosely being the Richmond Charities Group that operates in England. The objective is to provide peer support and knowledge exchange at a senior level, and with a particular focus during this first year on organisations' responses to Covid-19 and recovery plans.

### **Health Policy Officers Network**

The HPON was set up in 2016 and now has 45 members. The network aims to provide peer support for a range of health policy officers and is jointly administered by VHS and RNIB Scotland. Most of the members are from small to medium sized third sector organisations. We held two meetings this year, whilst continuing to share intelligence and horizon scan via email throughout the year. Following consultation with the HPON we made eight recommendations to Public Health Scotland which were subsequently incorporated into their COVID-19 Health Impact Assessment: *Mitigating the wider health effects of the Covid-19 pandemic response*.

### **Community link workers and primary care**

In March 2021, the Scottish Government Short Life Working Group on Inequalities commissioned VHS to scope the establishment of a National Network for Community Link Workers in Scotland. Community Link Workers are recognised as an essential element in the recovery of primary care services following the pandemic. VHS has established an advisory group with key partners, including from Glasgow and Edinburgh Health and Social Care Partnerships, to help guide the project. Scoping work is taking place during 2021/22, with a development officer seconded to VHS from Edinburgh Voluntary Organisations Council for two days a week for six months.

### **Serious mental ill-health in later life**

During 2019 VHS had collaborated with Support in Mind Scotland and Faith in Older People to explore the evidence about the human rights, diagnosis, treatment and care of people aged 65+ with serious mental health conditions (other than or alongside dementia). Work then had to pause, due to the Covid-19 pandemic. In February 2021, VHS began working in partnership with the Open University, as well as its previous collaborators, to reinstate the work, holding two round tables, on 4<sup>th</sup> February and 3<sup>rd</sup> March. These discussions included third sector stakeholders as well as Audit Scotland, Mental Welfare Commission, Scottish Care, Scottish Government and the Care Inspectorate. Following the round tables, VHS presented the work to the Scottish Government's Director of Mental Health and Social Care in June 2021.

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### Other policy work and strategic networks

VHS serves on numerous working groups, providing a voluntary health perspective and contribution to policy development across a wide range of areas. Some of these did not meet during the year, a result of the pandemic. Useful collaborative work was once again undertaken with the Inequalities Learning Collaborative, which we chair, and the Third Sector Health and Social Care Collaborative. Other groups we contributed actively to included Edinburgh University ESRC IAA Advisory Group, the Scottish Government's Health Literacy Action Plan Implementation Group, and the Scottish Rural Health Partnership Steering Group.

We were signatories to Oxfam's open letter calling for more financial support for carers affected by the pandemic: one immediate outcome of this was the announcement (6<sup>th</sup> May) by the Scottish Government of an additional one-off payment to those carers who are eligible for the Carers Allowance Supplement in Scotland. On 26<sup>th</sup> November VHS's Chief Executive chaired the inter-city debate on health inequalities at the People, Places and Possibilities conference organised by EVOG and GCVS, and she was also a speaker at Arts4Dementia's UK conference on social prescribing on 15<sup>th</sup> February.

### External communications

VHS's small team maintained a high level of digital communication with members and other stakeholders. Our informative e-bulletins were sent to 2,000 recipients each month and full members received additional e-alerts sharing news or opportunities that would not wait till the next month's bulletin. We maintained a very dynamic website with frequent postings that shared news items, guest blogs by our members, policy briefings, key messages, consultation responses and events listings and presentations. Social media was used actively and helped drive additional visitors to the website. We published 246 Tweets, and attracted 5,023 'profile visits' and 650 mentions.

### 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 a net surplus of £42,986 (2020: £12,571) for the year before actuarial losses (2020: actuarial gains). There was a surplus of £11,810 (2020: £27,480) on unrestricted funds and a surplus of £30,052 (2020: deficit of £13,925) on restricted funds, after actuarial losses (2020: actuarial gains) on the pension scheme.

Total funds as at the year-end amounted to £147,034 (2020: £105,172) including £40,052 restricted funds (2020: £10,000) and £106,982 (2020: £95,172) unrestricted funds. The surplus arose mostly due to planned work being delayed due to Covid-19 but also because some restricted funds were received just before the year end for projects to be carried out in 2021-22.

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

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### Reserves policy

The charitable company wishes to follow best practice and build up free reserves to a level that would cover six months' operating costs, in a normal year, which would be around £110,000. Free reserves as at 31 March 2021, being unrestricted non designated funds before deduction of pension liability, were £131,956 (2020: £122,592).

### Risk Management

The Risk Register is actively monitored and managed and is updated by the Chief Executive ahead of each Board meeting. Risk management is a standing item at each Board meeting, and our normal practice is to consider a different risk at each meeting.

The Directors continued to actively monitor the performance of the Scottish Voluntary Sector Pension Scheme run by The Pensions Trust, and we continued to make agreed payments to The Pensions Trust to reduce our long term liabilities to the scheme. During the year we joined EVH as Associate Members to secure access to affordable and high quality HR and employment law advice and support going forward. The Directors actively monitored VHS's delivery of the annual work programme for the Scottish Government, so as to ensure that VHS worked proactively and constructively with the Government concerning the annual grant awarded. During the year the Board established two internal short-life working groups to assist with risk management in relation to staffing and resources: the Income and Sustainability Working Group and the Employment Policies Working Group.

The onset of the COVID-19 pandemic and the lock-down and social distancing measures implemented by UK governments in March 2020 significantly impacted on VHS's risk management activities. We immediately prepared a specific business continuity plan, reviewed our insurance policies as a matter of urgency and sought reassurances from our insurance broker concerning our cover. We moved swiftly to secure additional technology and equipment and put new systems and support in place to enable staff to work remotely from their homes. We negotiated a rent and services discount from our landlord SCVO, as we had no access to the building for the whole of the year. We have followed Scottish Government and NHS advice about the pandemic throughout the ensuing period.

### PLANS FOR FUTURE PERIODS

In April 2021, we relocated our business to office premises at 18 York Place. We therefore started the new financial year 2021/22 as tenants of Relationships Scotland, a VHS member organisation. Once the pandemic situation permits a return to office life we look forward to being part of the small voluntary sector hub that Relationships Scotland hosts at York Place and to collaborating with new colleagues there.

We continue to monitor the pandemic situation carefully, and are keeping our options open about exactly how we will work in future. We anticipate that digital working will remain a permanent aspect of our work to some degree, as digital is enabling us to reach, understand and collaborate with more members and partners than pre-pandemic.

We are dependent on year-to-year funding from the Scottish Government, and in March 2021 the government agreed to provide funding for a further financial year, at the same level as in 2020/21, giving us financial security through to March 2022.

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## **DIRECTORS' REPORT**

### **LONGER TERM PLANS**

In May 2020 the Board took the decision to roll forward the existing three year strategic plan for a further year, through to March 2022, rather than attempt to develop a new strategy during the height of the pandemic. Work is now well underway to develop the new 2022-25 strategic plan, with external and internal stakeholder engagement and development work undertaken in July and August. The Directors have every confidence of developing a refreshed strategy that will provide strategic direction for the challenges and opportunities ahead. The Board is also committed to ensuring we take a human rights approach and to strengthening VHS's approach to equalities and diversity. This will enable us to serve our membership as well as we possibly can, be a trusted leader in health, and collaborate effectively with a wide range of stakeholders in fulfilment of our mission to help Scotland become a healthier, fairer place served by a thriving voluntary health sector.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

VHS is a company limited by guarantee, governed by its Memorandum and Articles of Association and recognised as a Scottish Charity. The Articles are available on the VHS website.

#### **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 fulfil the obligations of the Directors of the company. Together the Directors comprise the Board of Directors. The Articles set out the terms of appointment for Directors and the terms of office. A maximum of ten elected Directors and four co-opted Directors is permitted. Four Directors retired during the year: Allyson McCollam, Peter White, Ian Brooke and Nicola Hanssen. Nathan Sparling resigned in April 2021. Prior to retiring Allyson McCollam was serving as Chair and Peter White as Vice Chair. Our 16<sup>th</sup> AGM was held online on 5<sup>th</sup> November 2020, with twenty-three member organisations represented. Four new Directors were elected either at the AGM or appointed subsequently by the Board. During the year Robert Murray retired as Treasurer and David Main was appointed to that position. Following the retirement of Allyson McCollam in December 2020, Robert Murray was appointed as Chair.

#### **Induction and conduct of Directors**

During the year the Board of Directors met more frequently than usual, as part of its risk management during the Covid-19 pandemic. Meetings were held online of necessity, with five business meetings held in total. Directors engaged actively with the business of VHS in a wide range of ways, including advice to the Chief Executive and attendance at VHS events. New Directors received information to assist them to understand their remit and responsibilities, including VHS's Articles, three year strategy, operational plan and the latest accounts. New Directors had online briefing meetings with the Chair and Chief Executive and completed a conflict of interest statement.

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### Management of Staff

Staff were home based throughout the year, meaning management and support was provided through regular one to one and team meetings held almost entirely online. The Chair, Vice Chair and Treasurer met more frequently with the Chief Executive than usual, also online, so as to offer additional guidance and support throughout the uncertainties of the pandemic. As well as reporting regularly to the Directors, the Chief Executive met with and reported regularly to VHS's principal funder, the Scottish Government.

### REFERENCE AND ADMINISTRATIVE INFORMATION

#### Company Number

SC267315

#### Charity Number

SC035482

#### Directors

Allyson McCollam	Chair (resigned 9 December 2020)
Peter White	Vice Chair (resigned 5 November 2020)
Rob Murray	Treasurer (from 9 May 2019, to 9 December 2020) Chair (from 9 December 2020)
David Main	(appointed 8 October 2020) Treasurer (from 9 December 2020)
Ian Brooke	(resigned 5 November 2020)
Nicola Hanssen	(resigned 25 January 2021)
Allan Johnstone	
Gemma Crompton	
Lucy Mulvagh	
Maureen O'Neill	
Jonathan Ssentamu	
Nicola Sinclair	(appointed 11 May 2020)
Nathan Sparling	(appointed 11 May 2020, resigned 15 April 2021)
Ian Bruce	(appointed 5 November 2020)
Wilma Paterson	(appointed 5 November 2020)
Susanne Cameron-Nielsen	(appointed 9 December 2020, resigned 18 June 2021)

#### Staff Team

Claire Stevens	Chief Executive (Key management personnel)
Lauren Blair	Programme Engagement Officer
Alison Crofts	Membership and Administrative Officer
Kiren Zubairi	Policy Engagement Officer (left June 2021)
Kimberley Somerside	Policy Engagement Officer (joined September 2021)

#### Company Secretary

Claire Stevens

#### Registered Office and Operational Address

18 York Place  
Edinburgh EH1 3EP

#### Independent Examiner

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

#### Bankers

Unity Trust Bank  
9 Brindleyplace  
Birmingham B1 2HG

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#### 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.

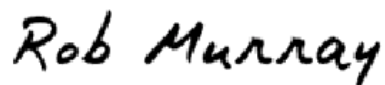
In preparing those financial statements, the Directors are required to:

- 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 12 October 2021 and signed on their behalf by:



Rob Murray  
Chair, VHS

**VOLUNTARY HEALTH SCOTLAND**

**YEAR ENDED 31 MARCH 2021**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS**

I report on the accounts for the year ended 31 March 2021 as set out on pages 14 to 28.

**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

12 October 2021

VOLUNTARY HEALTH SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Income from:</b>					
Charitable activities	2	13,092	213,900	226,992	222,438
Other trading activities					
Fee income		-	-	-	8,000
Investments					
Bank interest		1,108	-	1,108	892
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>		14,200	213,900	228,100	231,330
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>					
Charitable activities	3	1,266	183,848	185,114	218,759
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>		1,266	183,848	185,114	218,759
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income</b>		12,934	30,052	42,986	12,571
<b>Transfers between funds</b>	12	-	-	-	-
<b>Actuarial (losses)/gains</b>	15	(1,124)	-	(1,124)	984
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		11,810	30,052	41,862	13,555
<b>Reconciliation of funds:</b>					
Total funds brought forward		95,172	10,000	105,172	91,617
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>	12	106,982	40,052	147,034	105,172
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 28 form part of these financial statements.



**VOLUNTARY HEALTH SCOTLAND**

**BALANCE SHEET**

**AS AT 31 MARCH 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	7		-		-
<b>Current assets</b>					
Debtors	8	2,484		206	
Cash at bank and in hand		181,743		142,774	
		_____		_____	
		184,227		142,980	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	9	(12,219)		(10,388)	
Provision for liabilities due within one year	15	(4,343)		(4,216)	
		_____		_____	
<b>Net current assets</b>			167,665		128,376
			_____		_____
<b>Total assets less current liabilities</b>			167,665		128,376
Provision for liabilities due in more than one year	15		(20,631)		(23,204)
			_____		_____
<b>Net assets</b>	13		147,034		105,172
			=====		=====
<b>Funds</b>					
Unrestricted funds: General fund			131,956		122,592
Designated funds			(24,974)		(27,420)
Restricted funds			40,052		10,000
			_____		_____
	12		147,034		105,172
			=====		=====

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.

**VOLUNTARY HEALTH SCOTLAND**

**BALANCE SHEET**

**AS AT 31 MARCH 2021**

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 12 October 2021 and signed on its behalf by:

*Rob Murray*

Rob Murray, Chair

The notes on pages 17 to 28 form part of these financial statements.

# VOLUNTARY HEALTH SCOTLAND

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

### 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 2019) – 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 2022. VHS maintains regular contact with the funders, reporting on progress and discussing plans for the future. The Directors anticipate agreeing a further business case with the funders during the fourth quarter of 2021/22. In expectation of continued support, the Directors have continued to adopt the going concern basis of accounting. This assessment of going concern includes the expected impact of COVID-19.

#### (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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination 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

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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 income 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 commingled 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 plan.

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 FRS 102 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.

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. Income from charitable activities

	Unrestricted Funds £	Restricted funds £	2021 Total £	2020 Total £
Grants receivable				
Scottish Government	-	195,000	195,000	195,000
Scottish Government Culture Strategy ACHWS*	-	-	-	10,000
Scottish Government – Community Link Workers	-	9,900	9,900	-
Creative Scotland ACHWS*	-	9,000	9,000	-
	-----	-----	-----	-----
	-	213,900	213,900	205,000
Event income	5,982	-	5,982	9,699
Membership subscriptions	7,110	-	7,110	7,739
	-----	-----	-----	-----
	13,092	213,900	226,992	222,438
	=====	=====	=====	=====

\*ACHWS is Arts Culture Health and Wellbeing Scotland

During the year there were restricted grants amounting to £213,900 (2020: £205,000). All other income was unrestricted in both the current and previous years.

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. Expenditure on charitable activities

	2021 Total £	2020 Total £
Events and communications	4,280	24,776
Staff costs (Note 5)	153,999	148,854
Other staff costs	423	3,834
Rent and service charges	13,082	16,919
Other overhead costs	5,957	5,223
Legal and professional fees	2,530	2,372
Research and consultancy fees	1,694	11,624
Pension scheme interest payable (Note 15)	646	436
<u>Governance costs</u>		
Independent examiner's fees	2,400	2,580
Board meeting and development costs	103	2,141
	-----	-----
	185,114	218,759
	=====	=====

Included above is restricted expenditure amounting to £183,848 (2020: £213,959).

**VOLUNTARY HEALTH SCOTLAND**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

**4. Net income for the year**

	<b>2021</b>	<b>2020</b>
<b>This is stated after charging:</b>	<b>£</b>	<b>£</b>
Independent examiner's remuneration	2,400	2,580
Operating lease rentals:		
Land and buildings	13,082	15,658

One (2020: one) board member was reimbursed travel expenses during the year amounting to £35 (2020: £164) in total.

The charity paid £1,250 (2020: £1,297) during the year for the purchase of insurance that included indemnity cover to protect the charity from loss arising from the neglect or default of its Directors, employees or other officers and the consequences of any such neglect or default.

**5. Staff Costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and wages	135,656	129,367
Employer's social security costs	9,704	10,090
Employer's pension costs	8,639	9,397
	153,999	148,854
	153,999	148,854

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

	<b>2021</b>	<b>2020</b>
	4	4
	4	4

No employee was paid a salary of more than £60,000 (2020: none) and no director received any remuneration (2020: none). Key management personnel received total remuneration, including employer pension contributions and employer national insurance contributions, amounting to £55,138 (2020: £53,965) during the year.

**6. Taxation**

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

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

7. Tangible Fixed Assets

	Computer equipment £	Total £
<b>Cost</b>		
At 1 April 2020	1,204	1,204
	-----	-----
At 31 March 2021	1,204	1,204
	=====	=====
<b>Depreciation</b>		
At 1 April 2020	1,204	1,204
	-----	-----
At 31 March 2021	1,204	1,204
	=====	=====
<b>Net Book Value</b>		
At 31 March 2021	-	-
	=====	=====
At 31 March 2020	-	-
	=====	=====

8. Debtors

	2021 £	2020 £
Trade debtors	1,270	-
Prepayments	1,214	206
	-----	-----
	2,484	206
	=====	=====

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	4,178	5,402
PAYE and NI	5,406	3,171
Pension contributions	1,306	960
Deferred income (Note 10)	1,329	855
	-----	-----
	12,219	10,388
	=====	=====



VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

10. Deferred income

	Subscriptions £	Total 2021 £	Total 2020 £
Balance at 1 April 2020	855	855	4,420
Released to Statement of Financial Activities	(855)	(855)	(4,420)
Income received and deferred in year	1,329	1,329	855
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	1,329	1,329	855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. Operating lease commitments

At 31 March 2021 the charity had aggregate commitments under non-cancellable operating leases for rent and service charges payable as set out below:

	2021 £	2020 £
Payable within one year	7,000	7,829
	<hr/> <hr/>	<hr/> <hr/>

12. Funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains/ losses £	At 31 March 2021 £
<b>Unrestricted funds</b>						
General funds	122,592	14,200	(620)	(4,216)	-	131,956
Designated funds:						
Pension provision	(27,420)	-	(646)	4,216	(1,124)	(24,974)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	95,172	14,200	(1,266)	-	(1,124)	106,982
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>						
Strategic work programme	-	195,000	(181,277)	-	-	13,723
Community Link Work	-	9,900	-	-	-	9,900
Creative Scotland ACHWS	-	9,000	(1,400)	-	-	7,600
Scottish Government Culture Strategy ACHWS	10,000	-	(1,171)	-	-	8,829
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,000	213,900	(183,848)	-	-	40,052
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	105,172	228,100	(185,114)	-	(1,124)	147,034
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**VOLUNTARY HEALTH SCOTLAND**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

**12. Funds (continued)**

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, in furtherance of VHS's objectives as the national intermediary body for the voluntary health sector in Scotland. There are funds carried forward under this fund as a result of work being postponed due to Covid-19. This work will be carried out in 2021/22 and future years. £5,000 has been spent on external consultation on strategy in August 2021.

The Community Link Work Fund is to establish a national network/community of practice for the community link workers working with primary care practices across Scotland.

The Arts Culture Health and Wellbeing Scotland funds are to carry out workshop and networking events to promote knowledge exchange and learning about culture and health, raise awareness about ACHWS and extend the reach and influence of the network.

The following table and subsequent narrative is the funds note for the year ended 31 March 2020 for comparative purposes:

	<b>At 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains/ losses £</b>	<b>At 31 March 2020 £</b>
<b>Unrestricted funds</b>						
General funds	99,754	26,330	(4,364)	872	-	122,592
Designated funds:						
Pension provision	(32,062)	-	(436)	4,094	984	(27,420)
	-----	-----	-----	-----	-----	-----
	67,692	26,330	(4,800)	4,966	984	95,172
	-----	-----	-----	-----	-----	-----
<b>Restricted funds</b>						
Strategic work programme	-	195,000	(195,000)	-	-	-
Clear Pathway evaluation	15,000	-	(11,161)	(3,839)	-	-
Clear Pathway conference	8,925	-	(7,798)	(1,127)	-	-
Arts Culture Health and Wellbeing Scotland	-	10,000	-	-	-	10,000
	-----	-----	-----	-----	-----	-----
	23,925	205,000	(213,959)	(4,966)	-	10,000
	-----	-----	-----	-----	-----	-----
<b>Total funds</b>	<b>91,617</b>	<b>231,330</b>	<b>(218,759)</b>	<b>-</b>	<b>984</b>	<b>105,172</b>
	=====	=====	=====	=====	=====	=====

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

12. Funds (continued)

The Clear Pathway evaluation fund in 2019/20 was to deliver a short-life evaluation project to explore good practice and lessons learned since the publication of the Clear Pathway guidance in April 2018. The transfer represented a contribution towards general management costs, as permitted by the funder.

The Clear Pathway conference fund in 2019/20 was to explore good practice, lessons learned and scope for improvement since the publication of the Clear Pathway guidance. The transfer represented a contribution towards general management costs, as permitted by the funder.

13. Analysis of funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	-	-	-
Net current assets	127,613	40,052	167,665
Pension provision payable in more than one year	(20,631)	-	(20,631)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 March 2021</b>	<b>106,982</b>	<b>40,052</b>	<b>147,034</b>
	<u>          </u>	<u>          </u>	<u>          </u>
	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	-	-	-
Net current assets	118,376	10,000	128,376
Pension provision payable in more than one year	(23,204)	-	(23,204)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 March 2020</b>	<b>95,172</b>	<b>10,000</b>	<b>105,172</b>
	<u>          </u>	<u>          </u>	<u>          </u>

14. Related party transactions

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

# VOLUNTARY HEALTH SCOTLAND

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2021

#### 15. Pensions

The company participates in the Scottish Voluntary Sector Pension Scheme ("the scheme"), a multi-employer scheme which provides benefits to some 102 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 with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### Deficit contributions

From 1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £88.2m, liabilities of £122.1m and a deficit of £33.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

From 1 April 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 (payable monthly)

**VOLUNTARY HEALTH SCOTLAND**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

**15. Pensions (continued)**

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

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Present value of provision for Voluntary Health Scotland	24,974	27,420
	<u>          </u>	<u>          </u>

Reconciliation of Opening and Closing Provisions

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Provision at start of period	27,420	32,062
Unwinding of the discount factor (interest expense)	646	436
Deficit contribution paid	(4,216)	(4,094)
Remeasurements - impact of any change in assumptions	1,124	(984)
Remeasurements - amendments to the contribution schedule	-	-
	<u>          </u>	<u>          </u>
Provision at end of period	24,974	27,420
	<u>          </u>	<u>          </u>

Income and Expenditure Impact

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest expense	646	436
Remeasurements – impact of any change in assumptions	1,124	(984)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	8,018	9,397

Assumptions

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Rate of discount (% per annum)	0.86	2.57	1.46

# VOLUNTARY HEALTH SCOTLAND

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2021

#### 15. Pensions (continued)

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.

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

#### Deficit Contributions Schedule

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Year 1	4,343	4,216
Year 2	4,473	4,343
Year 3	4,607	4,473
Year 4	4,746	4,607
Year 5	4,888	4,746
Year 6	2,517	4,888
Year 7	-	2,517

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 2020. At this date the estimated employer debt for Voluntary Health Scotland was £80,739, which includes the provision recognised in the financial statements above. The Directors have no intention of withdrawing from the scheme in the foreseeable future.