



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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2022**

**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 2022**

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# VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

## 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 2022.

### 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 who support VHS's work and comprise individuals and organisations from any sector. Beyond its own members, VHS works with a wide range of stakeholders across the third and community sector, Scottish Government, Public Health Scotland, 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 has been developed this year, to cover April 2022 to March 2025.

### ACHIEVEMENTS AND PERFORMANCE

#### Summarising the difference VHS made this year

The twelve months covered by the Directors' report have been a period during which we achieved a great deal. We successfully advocated that an equalities approach to the COVID-19 vaccination programme be developed and implemented and we re-established the Cross Party Group on Health Inequalities following the Scottish 2021 election. We published research into the lived experience of Covid-19 in marginalised communities and we responded to the National Care Service, Good Food Nation Bill and National Planning Framework consultations. Through our events programme we engaged 1,010 attendees in conferences, workshops, consultations and deep dive conversations concerning health, social care and inequalities. We developed and published our 2022-25 strategy.

# VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

## DIRECTORS' REPORT

### ACHIEVEMENTS AND PERFORMANCE (continued)

We were proud to serve 140 member organisations this year and we enjoyed the support of 239 associate members. One member commented, *"VHS membership is great value for money and invaluable for my work"*. Taken together, our formal members and wider network members numbered 509, with an additional 1,877 e-bulletin and mailing subscribers. This demonstrates how our reach extends far beyond our formal membership.

The difference that our activities made can be summarised as follows. We amplified the voice and influence of the third sector in health and we supported the third sector to understand and engage with health priorities, policies and systems. We promoted the third sector's role, expertise and evidence in health to a wide audience and we helped make effective cross-sectoral collaboration on health more normal and valued. Finally, in a year when the COVID-19 pandemic continued to be a dominant consideration, we helped improve the third sector and public health response to the disease and to the impact it continued to have on the health and wellbeing of so many lives.

#### **Covid-19 recovery**

Having published our research findings and recommendations for a more equitable roll-out of the Covid-19 vaccine, we worked ceaselessly to help shape an equalities and human rights approach to the implementation of the vaccine. We generated media coverage, had an article published by Glasgow University, organised awareness raising events and presented at other organisations' events, including the Deep End GPs.

Donna McLeod, the then Head of the Participation Team in Scottish Government Healthcare Quality and Improvement said, *"I have shared the great work already with our vaccinations policy team who have found the work you have done incredibly valuable and informative. They have asked if they can share within their broader team, are we now in a position that we can now do this? This information will be absolutely key in what they are doing."*

We served on the Scottish Government Inclusion Covid Vaccine Steering Group from its inception, and the group adopted five of the six recommendations in our report, *Vaccine Inclusion, Reducing Inequalities One Vaccine at a Time*.

We also served on Public Health Scotland's Advisory Group for Screening and Immunisation Communications and Information (known as the SIP CIAG). One of our contributions to its work was the publication of 'Luke's Blog', an appeal from our 18 year-old summer intern Luke Blair for other young people to get the Covid-19 vaccination. With our assistance, in December the Scottish Parliament's Covid-19 Recovery Committee listened to third sector evidence on the vaccine experiences of underserved populations. There was a recurring theme throughout the session on building trust and the important role communities can play in this.

We actively supported NHS Lothian, NHS Lothian Charity, and the four Lothian Third Sector Interfaces to develop their Covid-19 vaccine inclusion partnership which included a successful micro-grants scheme. In October the Public Audit Committee heard oral evidence from Audit Scotland regarding their report on the vaccine programme, during which the agency highlighted VHS's promotion of assertive outreach approaches.

In a significant contribution to Public Health Scotland's Inclusion Health Partnership we carried out the analysis, drafting and publication of the Partnership's report, *Understanding the Lived Experience of Covid-19 in Marginalised Communities*. Published in March 2022, the report generated good social media coverage as well as coverage on the Public Health Scotland and Strathclyde University websites.

# VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

## DIRECTORS' REPORT

### ACHIEVEMENTS AND PERFORMANCE (continued)

By invitation from BEMIS, Scotland's black and ethnic minority infrastructure body, VHS joined the Ethnic Minority Resilience Network. This national network was established to increase Covid-19 related resilience across Scotland's black and ethnic minority communities. Our membership has helped to forge a stronger relationship with BEMIS and our understanding of equality, diversity and inclusion.

In January we held a VHS members meet-up to reflect on lessons learned during the second year of the pandemic. Looking further ahead into 2022, over the summer we will conduct new research into the third sector's experience of supporting people to understand the benefits of vaccination and overcome vaccine barriers and hesitance. This will build on last year's successful research, examine lessons learned by the third sector, and make recommendations for the future. We have been chosen to participate in the Scottish Government 2022 Analytical Exchange so in this new research we will be aided by two analysts from the Scottish Government and Public Health Scotland.

Still looking ahead, at the NHS Scotland annual event being held in Aberdeen in June 2022, we will present a new poster to promote the third sector's work on inclusive vaccination. The poster will be produced collaboratively with Volunteer Edinburgh, EVOC, and NHS Lothian Health Charity, with Artlink Edinburgh providing the design. At the same event we will champion two of our member organisations who will be presenting important Spotlight Sessions, thanks to VHS. They are Children's Health Scotland and Cancer Support Scotland and were successfully put forward by VHS for inclusion in the two day programme. We are now invited annually by NHS Scotland to put forward third sector abstracts, which we do enthusiastically, as this is an important way of securing a large NHS audience for several of our member organisations each year.

### Health Inequalities

We were active members of the Scottish Government's Primary Care Health Inequalities Short Life Working Group, set up as part of primary care's recovery planning from Covid-19, and we serve on its successor, the Development Group, now implementing the recommendations published in March 2022. VHS's most visible contribution to this programme of work has been the setting up and development of the Scottish Community Link Worker Network, which we report on below.

We contributed to two pieces of work focused on the need for health screening programmes to be more equalities focused. One was a Scottish Government/Public Health Scotland workshop on Screening Inequalities, held in April 2021. The other was a November meeting organised by NHS National Services Scotland (NSS) on a planned health and social care screening inequalities project. The project is investigating the discrepancies in cancer screening uptake in areas of deprivation, specifically cervical screening in West Lothian and bowel screening uptake in North Lanarkshire.

Public Health Scotland developed and published a new public health workforce CPD online learning resource which included a 'talking head' video piece of our Chief Executive Claire Stevens, as part of the module on the role of third sector in public health.

From November onwards we were members of the Scottish Government Place and Wellbeing Programme Steering Group, by invitation of the Director of Population Health. This is a three year programme, and we are contributing specifically to its Communities workstream.

Our Chief Executive was one of three presenters at an evening seminar for 78 GPs, medical students and (at our suggestion) community link workers, organised by Glasgow University and the West of Scotland Royal College of GPs in January. Claire Stevens' presentation explained the nature and role of the third sector in tackling inequalities, including through link working.

# VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

## DIRECTORS' REPORT

### ACHIEVEMENTS AND PERFORMANCE (continued)

A three-year, multi-region evaluation of the national roll-out of social prescribing link workers in primary care, got underway, funded by the National Institute for Health Research. VHS is the only third sector partner in this UK-wide research programme led by Manchester University, with Glasgow and Edinburgh Universities as the Scottish academic partners.

Looking further ahead into 2022, the Health Foundation is conducting a Review of Health Inequalities in Scotland, modelled on Professor Sir Michael Marmot's review of health inequalities in England. Over the course of April and May 2022 we participated in Review related activities, including a round table and webinar organised by the think-tank NESTA, and meetings with Glasgow University, the Chair of the Expert Advisory Group, and the Review's Programme Manager.

In June 2022 we will hold a health inequalities themed workshop, *Building a Healthy and Health Creating Scotland*, at the annual SCVO Gathering in Glasgow, with a panel discussion led by our members Cope Scotland, HIV Scotland and Kidney Research UK.

### Scottish Community Link Worker Network

This year VHS was able to establish a national network and community of practice for Scotland's 300 community link workers. The aim of the Network is to create a space for community link workers in primary care settings in Scotland to come together to share learning and to develop, network and support each other in order to improve outcomes for their patients and communities. The Network has been made possible through a project grant from the Scottish Government Primary Care Division and through Edinburgh Voluntary Organisations Council (EVOC) seconding us a staff member, Roisin Hurst, to undertake ongoing development work.

Our first step was to identify and map who Scotland's link workers were and where they were located, as this data was not held nationally anywhere, and to establish their views on the need for a specialist network. We carried out scoping work through a series of engagement events and an online survey. We produced several reports, established a steering group and a working group, created web pages and social media, and ran two peer support events, in February and March.

Community link workers were keen to explore new ways of measuring their impact on health inequalities, and to that end we partnered with Evaluation Support Scotland (ESS) to introduce *Our Rich Tapestry* to them via a series of workshops. This is a well-established toolkit, co-produced by ESS with VHS and other members of the Inequalities Learning Collaborative. It is designed to support third sector organisations to measure and report on their impact on health inequalities. Following an initial workshop for 36 community link workers in December, feedback included: *'this is a really useful resource'* and, *'I will take this back to show my team'*. We are continuing the partnership with ESS into 2022, as the workshops have been in high demand.

We also commissioned ABCD Consulting to carry out a review of the training and development needs of community link workers. The resulting report and recommendations were published in May 2022, and discussion with Scottish Government and NHS Education for Scotland (NES) is ongoing as we seek to identify next steps.

In April 2022 the Scottish Government agreed to continue to fund VHS's development of the Network for a further year, in recognition of the contribution the project is making to tackling health inequalities and primary care. This welcome financial support enables the existing staff secondment from EVOC to continue and will see us recruit a part-time Policy and Research Officer. Developments for the year

# VOLUNTARY HEALTH SCOTLAND

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## DIRECTORS' REPORT

### ACHIEVEMENTS AND PERFORMANCE (continued)

ahead include a regular Network newsletter, a programme of knowledge exchange events, research and evidence gathering, and policy influencing work.

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

Re-establishing the Cross Party Group (CPG) on Health Inequalities, at the onset of the new Scottish Parliamentary session, was an important milestone for VHS, following the Scottish Elections in May 2021. We celebrated our seventh year as Secretariat to the CPG, a role that means providing both leadership and support to a Group now comprising 94 external organisations and 5 MSPs. In carrying out this function we were ably served by our Events and Engagement Lead, Lauren Blair, whose strong working relationships with key stakeholders in the Parliament are essential to the successful operation of the CPG. We held three meetings before March 2022, all online, with attendance ranging from 52 to 64 people each time. Inputs included an important presentation from Dr David Blane of Glasgow University on the role the inverse care law plays in exacerbating inequalities in health. After each meeting we published and disseminated presentations and minutes widely.

At the February CPG meeting we gave a platform to the children's health charity Forth Valley Plus to highlight the inequity in pay that has arisen between adult and children's social care services, following the Scottish Government Budget announcement that pay for adult social carers would be lifted to £10.50. We also prepared a short briefing for MSPs, explaining the discrepancy and the impact it was having on organisations that provide both adult and children's social care support.

Looking further ahead into 2022, so far our CPG plans include a joint meeting with the CPG on Mental Health in May, followed by the CPG's AGM in September and a Parliamentary reception also in September.

#### **Health Policy Officers Network**

The Health Policy Officers Network was set up in 2016 and now has 40 members. The network aims to provide peer support for health policy officers and is jointly administered by VHS and RNIB Scotland. The members are from a range of third sector organisations wishing to learn best practice from each other and external stakeholders such as the Scottish Parliament. We held two meetings this year, whilst continuing to share intelligence and horizon scan via email throughout the year. We have also established a Microsoft Teams page to create a space for network members to discuss policy and highlight upcoming opportunities. This year the network engaged primarily with the Scottish Government's draft National Planning Framework 4. We have also been focused on re-establishing relationships with the Scottish Parliament's Participation & Communities Team and SPICe.

#### **Other policy and consultation work**

It was a year with a number of significant consultations that VHS supported its members to engage with. In October we held a consultation event for forty three sector participants, on Scottish Government plans for a National Care Service. The discussions informed our formal response to the consultation, prepared by our new Policy Engagement Lead, Kimberley Somerside. This was followed by our consultation response to the Scottish Parliament's Rural Affairs, Islands & Natural Environment (RAINE) Committee's scrutiny of the Good Food Nation Bill. Colin Smyth MSP cited VHS's consultation response to the Good Food Nation (Scotland) Bill during the Stage One debate in March 2022, highlighting our proposal that the Bill establish high-level policy principles and objectives for fixing Scotland's food system.

## VOLUNTARY HEALTH SCOTLAND

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### DIRECTORS' REPORT

#### ACHIEVEMENTS AND PERFORMANCE (continued)

The National Planning Framework 4 (NPF4) was a further significant consultation exercise for VHS, led by Kimberley Somerside and Lauren Blair, because people's housing and physical environments are such an important determinant of health. We convened a discussion amongst our Health Policy Officers Network in January and followed this with a breakout session that we helped organise and facilitate for the Scottish Parliament Health, Sport and Social Care Committee. We submitted a formal written response to the Local Government Housing and Planning Committee's consultation on NPF4, in which we proposed that planning applications should include, by law, a requirement to undertake a health inequalities impact assessment before a decision is made.

The Committee referenced VHS in its subsequent report, saying, *"The Committee would also like to thank the stakeholders who enabled us to hear from different voices in the events and visits the Committee undertook to inform its scrutiny of NPF4. In particular, we'd like to thank Scotland's Regeneration Forum, Built Environment Forum Scotland, Rural Housing Scotland, Scottish Rural Action, Voluntary Health Scotland, Scotland's Towns Partnership and the Scottish Youth Parliament, all of whom provided invaluable input into our scrutiny."*

In February we held a consultation event to support VHS members and the Scottish Government to engage on the proposed Data Strategy for Health and Social Care, and we will be responding to the formal consultation due to close in August 2022. The strategy's aim is to ensure health and care data supports the delivery of health and social care services, and to ensure it does so in a way that empowers the citizens and supports innovation and research. After our event, the lead government official in Digital Health & Care wrote to say, *"Thanks so much for organising the session – really appreciated by the whole team here at Scottish Government – helping to develop a strategy informed by the users of it."*

#### Health Social Care and Sport Committee Inquiry into Health Inequalities

In March 2022 we submitted written evidence to the Health, Social Care and Sport Committee's inquiry into health inequalities. We then partnered with the Scottish Parliament's Participation and Communities Team to plan and organise four informal engagement events for the MSPs involved in the inquiry. These four events took place online during May 2022, and provided a powerful example of how third sector and lived experience can be fed into the Parliament's engagement in a meaningful, sensitive and supported way. Also in May our Chief Executive gave oral evidence at the opening session of the formal inquiry stage.

#### Volunteering in health

In October NHS Tayside commissioned VHS to conduct a study to strengthen its understanding of volunteering and its strategic potential across Tayside. VHS deployed Hensikt Consulting to carry out the necessary mapping, analysis, writing and development of the recommendations, and we submitted the final report to the health board in March.

We published a guest blog by Volunteer Edinburgh to raise awareness about the ongoing situation of people with health or social needs (e.g. mental ill-health, learning disabilities) who, pre-pandemic, were active volunteers in health settings and regarded volunteering as essential to their own health, well-being, purpose and social-connectedness. Many of these were forced to shield and were then excluded from returning to volunteering, for risk management reasons, ignoring the preventative nature of volunteering.



## VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

### DIRECTORS' REPORT

#### ACHIEVEMENTS AND PERFORMANCE (continued)

Our long-standing support of the work of the NHS Scotland Volunteering National Group continued. For example, Healthcare Inclusion Scotland undertook urgent scoping of how further volunteers might be recruited to enhance NHS workforce capacity and resilience within vaccination centres, hospital wards and clinics as part of the 2021/22 'winter emergency'. In response, we highlighted concerns about the lack of NHS capacity to train, manage and support volunteers in high-risk settings.

#### Arts, culture and health

During the year Creative Scotland published a video to promote the role of arts and culture in health, featuring our Chief Executive. They also published an important report, *Arts and Health Mapping*, a Rocket Science research project to which our Chief Executive was an Associate Advisor. We accepted an invitation to serve on the steering group of Scotland's Singing for Health Network, a new project led by the Royal Scottish Conservatoire and Edinburgh University. The project has brought together researchers and health professionals from across Scotland to support singing for health and facilitate collaboration and knowledge exchange.

We continued to play a significant role in the development of the organisation Arts Culture Health and Wellbeing Scotland (ACHWS), following our work to successfully register it as a Scottish Charitable Incorporated Organisation. Between May and December our Events and Engagement Lead organised two seminars on behalf of ACHWS, to explore different aspects of age, creativity and the arts. Their event on culture, mental health and inequalities was a further event that took place thanks to VHS support. We also organised and hosted all of their Board meetings and Working Group meetings, acted as Secretary, and helped consolidate their working relationships with Scottish Government officials. We continued to engage with a range of other arts and health initiatives; for example, publishing a blog by our member organisation Art in Healthcare and speaking at the Arts for Dementia social prescribing UK conference in May 2021.

#### Communicating with our members and wider networks

The staff team maintained a high level of communication and engagement with members and other stakeholders, predominantly digitally and remotely. Our Membership and Administrative Officer Alison Crofts compiled, edited and distributed our informative e-bulletins to 1,700 recipients each month. 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 through which we shared news items, guest blogs by our members, policy briefings, key messages, consultation responses and events listings and presentations. We undertook a refresh of the website, to be launched during 2022.

Social media was used actively and helped drive additional visitors to the website. We published 244 Tweets, and attracted 29,847 'profile visits', 482 mentions and 262 new followers. We now have nearly 5,000 Twitter followers.

#### Other events and engagement

These continued to take place online, given ongoing restrictions imposed by the Covid-19 pandemic. This meant our Annual Conference was held online for the second year running. Attracting 101 delegates and taking place on 6<sup>th</sup> October, our conference theme was *Health at the Heart of Communities*. The keynote address from the Cabinet Secretary for Health and Social Care Humza Yousaf, was well received.

## VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

### DIRECTORS' REPORT

#### ACHIEVEMENTS AND PERFORMANCE (continued)

A strong message conveyed throughout the day was the necessity for genuinely person-centred approaches incorporating love, compassion and hope.

One delegate's feedback after the conference said, "I loved the idea of us being health creators – so apt. It was really powerful to shine a light on what a fantastic job the voluntary health sector has done during the pandemic. The importance of kindness and compassion was emphasised throughout the day – really important attributes to aspire to. I hope the Cabinet Secretary takes forward the suggestion of having a third sector advisory board to support him". The conference received media coverage on the Health and Care Scotland platform, and we published a range of resources that supported the conference, including key messages, links to exhibitors, guest posters and blogs.

Our next significant event was on 25<sup>th</sup> November, when our Annual Lecture and AGM attracted 70 people to explore aspects of the social impact of the Covid-19 pandemic, using the latest research evidence from the University of Glasgow and Scottish Government.

Examples of how we supported third sector influencing day to day included our event on the Scottish Government's refresh of the Digital Health and Care Strategy, our meeting between the Depute Chief Medical Officer and a group of Third Sector Interfaces, and our meeting on older people's mental health with the Scottish Government Director of Health and Social Care. Third Force News published a think piece by our Chief Executive in June, on the Christie Commission ten years on.

In March 2022 we held our eighth Ageing Well event in partnership with the Open University, which proved to be as popular as the previous seven events. Also in March 2022, we held a Parliamentary Awareness workshop for our Health Policy Officers Network, in partnership with the Scottish Parliament's Participation and Communities Team. Understanding exactly how to engage with the Scottish Parliament is always a popular topic across our network, as a similar event held the previous June had already proved.

In September VHS was a signatory to an important third sector report, *Non-communicable Diseases Prevention: Priorities for 2021-22*, which was published by eight national health charities; we publicised and supported the launch in September. We were named as a contributor in a University of Highlands and Islands report, *Primary Care Healthcare Professionals' Research Priorities in Scotland after the Coronavirus Epidemic*.

#### 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 £1,516 (2021: £42,986) for the year before actuarial gains (2021: actuarial losses). There was a surplus of £36,168 (2021: £11,810) on unrestricted funds and a deficit of £18,329 (2021: surplus of £30,052) on restricted funds, after actuarial gains (2021: actuarial losses) on the pension scheme and transfers.

Total funds as at the year-end amounted to £164,873 (2021: £147,034) including £21,723 restricted funds (2021: £40,052) and £143,150 (2021: £106,982) unrestricted funds.

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

## VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

### DIRECTORS' REPORT

#### 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 2022, being unrestricted non designated funds before deduction of pension liability, were £147,654 (2021: £131,956).

#### 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 the Directors' normal practice is to consider a different risk at each meeting. During the year the Directors undertook a significant exercise to assess and draw up mitigation plans against the potential sudden loss of key personnel.

The Directors and Chief Executive continued to monitor potential Covid-19 related risks to VHS's operations and finances, and to take appropriate measures. Staff health and safety and wellbeing was a priority throughout. The company followed the requirements of legislation and Scottish Government guidance at all times.

The Directors continued to actively monitor the performance of the Scottish Voluntary Sector Pension Scheme run by The Pensions Trust, and continued to make agreed payments to The Pensions Trust to reduce VHS's long term liabilities to the scheme. The Directors actively monitored VHS's delivery of the annual work programme for the Scottish Government, and ensured that VHS worked proactively with the Government concerning the annual grant awarded.

#### PLANS FOR FUTURE PERIODS

During 2021 VHS developed its new strategy for 2022-25, shaping this with invaluable inputs from member organisations. Launched in May 2022, the new strategy renews our purpose to create a healthier, fairer Scotland served by a thriving voluntary health sector and reaffirms our commitment to tackling health inequalities. In tandem with the development of the strategy, we carried out important work with our members to explore our approach to equality, diversity and inclusion, and this work will shape how we implement the strategy over the next three years. A milestone in the implementation of the strategy will be our Annual Conference in October 2022 which will take as its theme, *Fair Health – Who Gets It?*

In April 2021, we relocated our business to office premises at 18 York Place, starting the new financial year 2021/22 as tenants of Relationships Scotland, a long-standing VHS member organisation. The Covid-19 pandemic has meant that our staff team continues to work mainly from home, but we have enjoyed gradually becoming part of the small voluntary sector hub at York Place, not least as other tenants include Art in Healthcare, Scottish Independent Advocacy Alliance and Parenting across Scotland, all VHS members.

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

## **VOLUNTARY HEALTH SCOTLAND**

**YEAR ENDED 31 MARCH 2022**

### **DIRECTORS' REPORT**

We continue to enjoy the financial support of the Scottish Government Health and Social Care Directorate. In March 2022 the government agreed to provide funding for a further financial year, at the same level as in 2021/22, giving us financial security for our core work through to March 2023. The continued additional project funding for developing the Scottish Community Link Worker Network means we are able to boost our staffing numbers this coming year and we greatly look forward to working with a team of six (five full-time equivalent posts).

#### **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.

During the year Maureen O'Neill was appointed as Vice Chair. Early in the year Nathan Sparling and Suzanne Cameron-Nielson resigned as Directors, and Paul Mooney was subsequently co-opted as a Director. Allan Johnstone retired at the AGM, having served six years as a Director, and Christine Carlin was elected.

Our 17<sup>th</sup> AGM was held online on 25<sup>th</sup> November 2021, with 41 attendees.

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

During the year the Board of Directors continued to meet remotely/online, due to the ongoing Covid-19 pandemic. Three business meetings were held and a strategy development workshop. 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. The Directors and Chief Executive are considered to be the key management personnel.

##### **Management of Staff**

The ongoing Covid-19 pandemic meant that staff continued to work predominantly from home throughout the year, to comply with Scottish Government restrictions and advice, and in order to manage staff safety. We began to test out and address the challenges of hybrid working. Performance management and support was provided through regular one to one and team meetings, both online, by telephone, and in person. Monthly in-person team meetings were reinstated from January onwards.

**VOLUNTARY HEALTH SCOTLAND**

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**DIRECTORS' REPORT**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Company Number**  
SC267315

**Charity Number**  
SC035482

**Directors**

Rob Murray	Chair
David Main	Treasurer
Allan Johnstone	(resigned 25 November 2021)
Gemma Crompton	
Lucy Mulvagh	
Maureen O'Neill	Vice-chair
Jonathan Ssentamu	
Nicola Sinclair	
Nathan Sparling	(resigned 15 April 2021)
Ian Bruce	
Wilma Paterson	
Susanne Cameron-Nielsen	(resigned 18 June 2021)
Paul Mooney	(appointed 12 October 2021)
Christine Carlin	(appointed 25 November 2021)

**Staff Team**

Claire Stevens	Chief Executive
Alison Crofts	Membership and Administrative Officer
Lauren Blair	Events and Engagement Lead
Roisin Hurst	Network Development Coordinator
Kimberley Somerside	Policy Engagement Lead

**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

# VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2022

## DIRECTORS' REPORT

### 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.

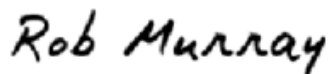
In preparing those financial statements, the Directors are required to:

- 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 2022 and signed on their behalf by:



Rob Murray  
Chair, VHS

**VOLUNTARY HEALTH SCOTLAND**

**YEAR ENDED 31 MARCH 2022**

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

I report on the accounts for the year ended 31 March 2022 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 2022

VOLUNTARY HEALTH SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<b>Income from:</b>					
Charitable activities	2	8,910	221,300	230,210	226,992
Investments					
Bank interest		781	-	781	1,108
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>		9,691	221,300	230,991	228,100
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>					
Charitable activities	3	196	229,279	229,475	185,114
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>		196	229,279	229,475	185,114
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income/(expenditure)</b>		9,495	(7,979)	1,516	42,986
<b>Transfers between funds</b>	12	10,350	(10,350)	-	-
<b>Actuarial gains/(losses)</b>	15	16,323	-	16,323	(1,124)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		36,168	(18,329)	17,839	41,862
<b>Reconciliation of funds:</b>					
Total funds brought forward		106,982	40,052	147,034	105,172
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>	12	143,150	21,723	164,873	147,034
		<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 2022**

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	7		-		-
<b>Current assets</b>					
Debtors	8	1,257		2,484	
Cash at bank and in hand		176,798		181,743	
		—————		—————	
			178,055	184,227	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	9	(8,678)		(12,219)	
Provision for liabilities due within one year	15	(2,090)		(4,343)	
		—————		—————	
<b>Net current assets</b>			167,287		167,665
			—————		—————
<b>Total assets less current liabilities</b>			167,287		167,665
Provision for liabilities due in more than one year	15		(2,414)		(20,631)
			—————		—————
<b>Net assets</b>	13		164,873		147,034
			=====		=====
<b>Funds</b>					
Unrestricted funds: General fund			147,654		131,956
Designated funds			(4,504)		(24,974)
Restricted funds			21,723		40,052
			—————		—————
	12		164,873		147,034
			=====		=====

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 2022**

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 2022 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 2022

### 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 to support its core and project activities from the Scottish Government until 31<sup>st</sup> March 2023. VHS maintains regular contact with its funders, reporting on progress and discussing plans for the future. The Directors anticipate agreeing a further business case with funders during the fourth quarter of 2022/23. In expectation of continued support, the Directors have continued to adopt the going concern basis of accounting. This assessment of going concern includes the ongoing 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 £500. 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 2022

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 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 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 2022

2. Income from charitable activities

	Unrestricted Funds £	Restricted funds £	2022 Total £	2021 Total £
Grants receivable				
Scottish Government	-	195,000	195,000	195,000
NHS Tayside	-	12,000	12,000	-
Scottish Government – SCLWN*	-	14,300	14,300	9,900
Creative Scotland ACHWS**	-	-	-	9,000
	-----	-----	-----	-----
	-	221,300	221,300	213,900
Event income	1,771	-	1,771	5,982
Membership subscriptions	7,139	-	7,139	7,110
	-----	-----	-----	-----
	8,910	221,300	230,210	226,992
	=====	=====	=====	=====

\*SCLWN is the Scottish Community Link Worker Network

\*\*ACHWS is Arts Culture Health and Wellbeing Scotland

During the year there were restricted grants amounting to £221,300 (2021: £213,900). 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 2022

3. Expenditure on charitable activities

	2022 Total £	2021 Total £
Office equipment	2,801	-
Events and communications	809	4,280
Staff costs (Note 5)	150,280	153,999
Other staff costs	1,306	423
Rent and service charges	12,236	13,082
Other overhead costs	15,112	5,957
Legal and professional fees	3,668	2,530
Project costs	41,094	1,694
Pension scheme interest payable (Note 15)	196	646
<u>Governance costs</u>		
Independent examiner's fees	1,920	2,400
Board meeting and development costs	53	103
	-----	-----
	229,475	185,114
	=====	=====

Included above is restricted expenditure amounting to £229,279 (2021: £183,848).

**VOLUNTARY HEALTH SCOTLAND**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2022**

**4. Net income/(expenditure) for the year**

	<b>2022</b>	<b>2021</b>
<b>This is stated after charging:</b>	<b>£</b>	<b>£</b>
Independent examiner's remuneration	1,920	2,400
Operating lease rentals:		
Land and buildings	12,236	13,082

No (2021: one) board member was reimbursed travel expenses during the year amounting to £Nil (2021: £35) in total.

The charity paid £861 (2021: £850) 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>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and wages	132,545	135,656
Employer's social security costs	9,296	9,704
Employer's pension costs	8,439	8,639
	150,280	153,999
	150,280	153,999

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

	<b>2022</b>	<b>2021</b>
	4	4
	4	4

No employee was paid a salary of more than £60,000 (2021: none) and no director received any remuneration (2021: none). Key management personnel received total remuneration, including employer pension contributions and employer national insurance contributions, amounting to £56,442 (2021: £55,138) 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 2022

7. Tangible Fixed Assets

	Computer equipment £	Total £
<b>Cost</b>		
At 1 April 2021	1,204	1,204
	-----	-----
At 31 March 2022	1,204	1,204
	=====	=====
<b>Depreciation</b>		
At 1 April 2021	1,204	1,204
	-----	-----
At 31 March 2022	1,204	1,204
	=====	=====
<b>Net Book Value</b>		
At 31 March 2022	-	-
	=====	=====
At 31 March 2021	-	-
	=====	=====

8. Debtors

	2022 £	2021 £
Trade debtors	-	1,270
Prepayments	1,257	1,214
	-----	-----
	1,257	2,484
	=====	=====

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	2,160	4,178
PAYE and NI	3,898	5,406
Pension contributions	1,044	1,306
Deferred income (Note 10)	1,576	1,329
	-----	-----
	8,678	12,219
	=====	=====



VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

10. Deferred income

	Subscriptions £	Total 2022 £	Total 2021 £
Balance at 1 April 2021	1,329	1,329	855
Released to Statement of Financial Activities	(1,329)	(1,329)	(855)
Income received and deferred in year	1,576	1,576	1,329
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	1,576	1,576	1,329
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. Operating lease commitments

At 31 March 2022 the charity had aggregate commitments under non-cancellable operating leases for rent and service charges payable as set out below:

	2022 £	2021 £
Payable within one year	1,750	7,000
	<hr/> <hr/>	<hr/> <hr/>

12. Funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Gains/ losses £	At 31 March 2022 £
<b>Unrestricted funds</b>						
General funds	131,956	9,691	-	6,007	-	147,654
Designated funds:						
Pension provision	(24,974)	-	(196)	4,343	16,323	(4,504)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	106,982	9,691	(196)	10,350	16,323	143,150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>						
Strategic work programme	13,723	195,000	(188,184)	-	-	20,539
Scottish Government SCLWN	9,900	14,300	(18,166)	(4,850)	-	1,184
Creative Scotland ACHWS	7,600	-	(7,600)	-	-	-
Scottish Gov ACHWS	8,829	-	(5,329)	(3,500)	-	-
NHS Tayside	<hr/>	12,000	(10,000)	(2,000)	-	<hr/>
	40,052	221,300	(229,279)	(10,350)	-	21,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	147,034	230,991	(229,475)	-	16,323	164,873
	<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 2022**

**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 2022/23 and future years.

The Scottish Government SCLWN 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 were 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 NHS Tayside fund was to carry out a study for NHS Tayside to strengthen its understanding of volunteering and its strategic potential across Tayside.

The transfers from restricted funds represent amounts agreed by the funder that can be transferred as a contribution to core overheads and management costs of the charity.

The following table and subsequent narrative is the funds note for the year ended 31 March 2021 for comparative purposes:

	<b>At 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains/ losses</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>						
General funds	122,592	14,200	(620)	(4,216)		131,596
Designated funds:						
Pension provision	(27,420)	-	(646)	4,216	(1,124)	(24,974)
	-----	-----	-----	-----	-----	-----
	95,172	14,200	(1,266)	-	(1,124)	106,982
	-----	-----	-----	-----	-----	-----
<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 Gov ACHWS	10,000	-	(1,171)	-	-	8,829
	-----	-----	-----	-----	-----	-----
	10,000	213,900	(183,848)	-	-	40,052
	-----	-----	-----	-----	-----	-----
<b>Total funds</b>	<b>105,172</b>	<b>228,100</b>	<b>(185,114)</b>	<b>-</b>	<b>(1,124)</b>	<b>147,034</b>
	=====	=====	=====	=====	=====	=====

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

13. Analysis of funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	-	-	-
Net current assets	145,564	21,723	167,287
Pension provision payable in more than one year	(2,414)	-	(2,414)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	143,150	21,723	164,873
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	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)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2021</b>	106,982	40,052	147,034
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2022

#### 15. Pensions

The company participates in the Scottish Voluntary Sector Pension Scheme ("the scheme"), a multi-employer scheme which provides benefits to some 82 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 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. 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 2022 to 31 May 2024: £1,507,960 per annum  
(payable monthly and increasing by 3% each year on 1st April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. 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 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 1<sup>st</sup> April)

**VOLUNTARY HEALTH SCOTLAND**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2022**

**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>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Present value of provision for Voluntary Health Scotland	4,504	24,974
	<u>          </u>	<u>          </u>

Reconciliation of Opening and Closing Provisions

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision at start of period	24,974	27,420
Unwinding of the discount factor (interest expense)	196	646
Deficit contribution paid	(4,343)	(4,216)
Remeasurements - impact of any change in assumptions	(67)	1,124
Remeasurements - amendments to the contribution schedule	(16,256)	-
	<u>          </u>	<u>          </u>
Provision at end of period	4,504	24,974
	<u>          </u>	<u>          </u>

Income and Expenditure Impact

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest expense	196	646
Remeasurements – impact of any change in assumptions	(67)	1,124
Remeasurements – amendments to the contribution schedule	(16,256)	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	8,439	8,639

Assumptions

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Rate of discount (% per annum)	2.30	0.86	2.57

# VOLUNTARY HEALTH SCOTLAND

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

### 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

	2022	2021
	£	£
Year 1	2,090	4,343
Year 2	2,153	4,473
Year 3	370	4,607
Year 4	-	4,746
Year 5	-	4,888
Year 6	-	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 2021. At this date the estimated employer debt for Voluntary Health Scotland was £58,150, which includes the provision recognised in the financial statements above. The Directors have no intention of withdrawing from the scheme in the foreseeable future.