



VOLUNTARY HEALTH SCOTLAND
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 2023

CONTENTS	PAGE
Directors' report	1
Independent examiner's report	14
Statement of financial activities incorporating the income and expenditure account	15
Balance sheet	16
Notes forming part of the financial statements	18

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

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 2023.

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 year one of implementing its new three year strategy which had been developed to run from April 2022 to March 2025.

ACHIEVEMENTS AND PERFORMANCE

Overview

The twelve months covered by the Directors' report were a period during which we achieved a great deal. We were proud to serve 153 member organisations, all of them voluntary organisations supporting people's health and wellbeing across Scotland. One member commented, "The work of Voluntary Health Scotland is superb and more important than ever. Greatly appreciate all the fantastic support from Voluntary Health Scotland". We are proud to describe ourselves as a network of networks. We enjoyed the support of 194 associate members over and above our full members, and engaged with 1,700 e-bulletin subscribers, 300 Cross Party Group on Health Inequalities supporters, 300 Scottish Community Link Worker Network members, and over 30 Health Policy Officers Network members. This demonstrates how our reach extends far beyond our formal membership.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

Of particular note this year was our continued development of the Scottish Community Link Worker Network, where the membership swelled to over 300 link workers and we launched the Network's monthly newsletter and held Scotland's first national conference for link workers.

We were also proud of the significant evidence we contributed to the Scottish Parliament's Health, Sport and Social Care Committee during their Inquiry into Health Inequalities, including facilitating MSPs' engagement with people with direct experience of health inequalities.

Our events programme went from strength to strength, with our Events Engagement Lead Lauren Blair organising a total of 28 online and in-person events. This included our first in-person annual conference since 2019, which attracted 185 participants, and an impactful evening reception in the Scottish Parliament. Overall, a total of 1,175 people took part in our conferences, workshops, consultations and deep dive conversations concerning health, social care and inequalities.

This was a year when the legacy of the COVID-19 pandemic continued to make its mark, not least for people whose NHS diagnosis, care and treatment had been disrupted since 2020. Poverty, escalating fuel costs and the cost of living crisis took their toll on people's health and wellbeing, especially those already facing the greatest inequalities. Throughout the year VHS worked hard to amplify the voice and influence of the third sector in health, promoting our sector's role, expertise and evidence to a wide audience and advocating for cross-sectoral collaboration in health to be more normal and valued.

We marked the departure of our longest serving member of staff, with Alison Crofts' retiral after 23 years of service, and we welcomed the arrival of Findlay Smith to our Scottish Community Link Worker Network project.

Cross Party Group on Health Inequalities

VHS marked its eighth year as Secretary of the Cross Party Group (CPG) on Health Inequalities. 2022 was the eleventh anniversary of the founding of the CPG. We now have 108 member organisations (from across third and public sectors, including academia) and 6 MSPs.

During the year we held meetings that explored health inequalities in relation to mental health, unpaid carers, and prisoners and their families. Speakers during the year included Wendy Sinclair-Gieben, HM Chief Inspector of Prisons, and Richard Meade, Director of Carers Scotland. Following the meeting on health inequalities in Scottish prisons we developed a briefing to inform the Criminal Justice Committee in the Scottish Parliament.

In September we held an evening reception in the Garden Lobby of the Scottish Parliament to celebrate the work of the group. Deep End GP Dr Peter Cawston was a very powerful speaker and guests, including our host, Brian Whittle MSP, were visibly moved by the poem that Peter had composed with Chance for Change's Leanne McBride, Nae Mair Talkin. This was our first in-person event in the Parliament since 2019, due to the Covid-19 pandemic, and we hosted 90 guests, 7 MSPs, and 8 exhibition stalls, making for a very buzzy atmosphere, with nearly everyone staying right to the end.

Inquiry into Health Inequalities

In March 2022 we had submitted written evidence to the Health, Social Care and Sport Committee's inquiry into health inequalities. This led to an invitation from the Scottish Parliament's Participation and Communities Team to co-produce four lived experience evidence sessions for the MSPs involved in the inquiry. These informal events took place online over two days during May 2022, and provided a

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

powerful example of how third sector and lived experience can be fed into the Parliament's engagement in a meaningful, sensitive and supported way. The four events engaged 48 voluntary organisations that brought with them people with experiences that included addictions, unpaid care, poverty, poor mental and physical health, migration and homelessness.

On 24th May, at the opening session of the formal evidence taking, the Chair to the Committee, Gillian Martin MSP, made reference in her opening remarks to these lived experience sessions, and made it clear how affected MSPs had been by the testimonies that they had heard. Our Chief Executive, Claire Stevens, gave oral evidence at this opening session, alongside Professor Gerry McCartney.

In September we published a detailed blog with our initial response to the formal Report of the Inquiry. It is clear that VHS had influenced the Committee's consideration of the issues and solutions: we were cited and directly quoted at various points during the report, and repeated references is made to our lived experience evidence sessions. We produced a briefing on behalf of the Health Inequalities Cross Party Group, ahead of a debate in parliament on the Committee's report. Twenty-seven organisations endorsed it and two MSPs highlighted the work of the CPG during the parliamentary debate.

We also contributed to the Health Foundation's Review of Health Inequalities in Scotland, attending meetings with NESTA, Glasgow University, and key personnel at the Health Foundation. Chris Cregan, who chaired the Review's advisory group, was a keynote speaker at our Annual Conference in Glasgow on 26th October.

Broader Reach and Stronger Voice

In May 2022 our Policy Engagement Lead, Kimberley Somerside, undertook a short qualitative study, asking our member organisations and wider network about the inclusivity of the COVID-19 vaccine programme and collaboration with the third sector.

As with our previous research in this area, the clear message from our members was that the third sector wants to be more involved in future public health interventions to reduce inequalities. Partnership working was very effective in supporting the vaccine rollout and 80% of third sector respondents were interested in collaborating with health boards on future public health interventions to reduce health inequalities. There were calls from both third and public sectors to actively take the vaccine to under-served communities. This was especially pertinent with organisations supporting people experiencing homelessness or issues with alcohol or drug abuse. For example, bringing vaccinations to hostels and community mental health and addiction services. Respondents observed multiple wider benefits for people's health as a result of the programme, including building trust with services and helping people register with a GP.

Partnership working achieves a "broader reach and stronger voice" for all involved, said one respondent, and that became the title of our published research report, *Broader Reach and Stronger Voice: Reflecting on the Inclusivity of the Covid-19 vaccine programme and collaboration with the third sector*. We had set up an expert advisory group to help us develop a robust set of recommendations, and we promoted these and the report through blogs, social media, events and our membership of the Scottish Vaccination Implementation Programme board and other vaccination working groups across the Scottish Government, Public Health Scotland and NHS National Services Scotland.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

NHS National Services Scotland also invited us to join a group set up to develop the Scottish Equity in Screening Strategy, because health inequalities are also an issue in screening programmes.

Scottish Community Link Worker Network

The Scottish Community Link Worker Network was established by VHS in 2021 to enable community link workers in primary care settings in Scotland to come together to share learning and good practice. This project continued to be led by Roisin Hurst, seconded to VHS by Edinburgh Voluntary Organisations Council for a second year as Network Development Coordinator. Increasing Roisin's hours at VHS to 21 a week, meant we were able to undertake significantly more work to strengthen all aspects of the project this year. The Network now comprises over 300 link workers and programme managers, a significant achievement from a starting point of zero two years ago.

We launched a monthly newsletter for link workers in July, which has been well-received, and via our social media and website we shared news and resources with link workers on a regular basis. We also initiated online peer support events, holding our first two in September and February. They proved to be an effective way of bringing together link workers from across Scotland. As a result, some link workers have started their own informal support networks, including in Shetland and Orkney.

Following successful workshops with Evaluation Support Scotland (ESS) the previous year, we ran two further workshops designed to support link workers to demonstrate the impact of their work on tackling health inequalities, particularly to colleagues within primary care. The workshops used the ESS health inequalities toolkit 'Our Rich Tapestry', which VHS had also been involved in helping develop. We commissioned ABCD Consulting to facilitate a review of the training and development needs of link workers and published their report in May 2022. One outcome of this has been a collaboration between VHS and NHS Education for Scotland (NES) to explore how their TURAS learning platform could be made more relevant and accessible to link workers.

As the Network grows its membership and reputation, we want it to become a channel for facilitating communication and connection with organisations that can support link workers and their patients. There is a demonstrable demand for the Network to offer this brokerage role, as so many organisations are keen to play a part in social prescribing. Our first two Knowledge Exchanges involved a total of 140 link workers, with speakers from Home Energy Scotland, Social Security Scotland, the Money and Pensions Service, and Families Outside. One outcome has been that the Money and Pensions Service have agreed to trial their City and Guilds-endorsed Money Guiders training with a small group of link workers. We see this as a good example of the potential partnership benefits that can result from the Knowledge Exchanges.

Starting in February 2023 we began a national mapping exercise, designed to collect and analyse information about link worker programmes all over Scotland. In the absence of any official national data, this is an important exercise in gaining a better understanding and overview of the structure, nature and operation of link worker programmes in operation throughout 32 health and social care partnerships. This research was made possible with the one-year appointment of a dedicated policy and research officer with a strong academic background, Findlay Smith.

Once published, Findlay's research will contribute towards the development of an evidence base on the collective impact of link workers and help to inform national policy development related to link workers, including in the context of the recommendation of the Health, Social Care and Sports Committee that every GP practice in Scotland have access to a link worker.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

One early example of using the Network's collective voice to influence at a national level concerned mental health. Working with Audit Scotland, we recruited 13 link workers willing to talk to the scrutiny body about their experiences of supporting patients with mental health issues and the availability of services, as well as the impact of Covid-19 and the last two years on their own health and wellbeing. The two focus group we held were in support of Audit Scotland's audit of adult mental health services, due to be published later in 2023.

During this year we put considerable effort into planning what would prove to be a highly successful national conference for link workers. The first event of its kind, it would take place in May 2023, in Glasgow, drawing 140 link workers from every health and social care partnership in Scotland, and with an opening keynote address from Maree Todd MSP, Minister for Social Care, Mental Wellbeing and Sport. Plans are already underway to hold a second national conference for link workers in 2024, potentially in Perth.

Collaboration and partnership working

In June VHS published its support for A Scotland That Cares, calling for a National Outcome to fully value and invest in those experiencing care and all those providing it. This campaign is led by Oxfam and our member organisations One Parent Families Scotland and Carers Scotland are also involved. We explored the health issues and inequalities facing unpaid carers at our meeting of the Cross Party Group on Health Inequalities in December.

We formally joined the Non-Communicable Diseases (NCD) Alliance Scotland, a forum set up to influence policy and practice on the prevention of non-communicable disease morbidity and mortality in Scotland. The aim is to create a unified, influential, and independent voice for action on non-communicable disease, with a focus on influencing the Scottish Government and other key organisations policy on non-communicable disease prevention. NCD Alliance Scotland comprises leading national charities, including VHS member organisation British Heart Foundation Scotland, medical royal colleges, campaign groups, membership bodies and individuals with an interest in non-communicable disease, health, and public health.

In July a three-way coalition of Versus Arthritis, VHS and The ALLIANCE wrote to the Cabinet Secretary for Health and Social Care, calling for action to tackle long NHS waiting lists for orthopaedic surgery and for a waiting-well support package to be developed to help people whilst they wait. This resulted very swiftly in a constructive meeting with the Cabinet Secretary for Versus Arthritis, following which the coalition sent a second letter to Mr Yousaf.

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. We organised and hosted all of their Board meetings and Working Group meetings, helped consolidate their working relationships with Scottish Government and Creative Scotland officials, organised the independent examination of their accounts, and helped recruit a Development Coordinator (their first staff member). Our Chief Executive, Claire Stevens, continued her role as a Trustee and Secretary of ACHWS.

Claire Stevens continued her role as a partner in the research team conducting a Multi-Region Evaluation of the Roll Out of Social Prescribing Link Workers in Primary Care. This is UK-wide research, led by Manchester University and funded by the National Institute for Health and Care Research. This three year project includes Glasgow and Edinburgh universities as research partners. VHS's role has

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

helped ensure the researchers are fully conversant with the Scottish community link worker landscape and we have supported the researchers to engage with the Scottish Government's Primary Care Directorate and with link workers in the west and east of Scotland for case study purposes.

During the year we were invited to join the mental health and young people workstream of the Scottish Prison Service's National Mental Health in Prisons Review and Strategy Group. We also re-established a connection with Police Scotland, who wrote a blog for us on taking a wellbeing approach to policing. We contributed to a partnership event at St John's Hospital in Livingston, on public services available to help manage mental distress. Contributors included the Scottish Ambulance Service, Police Scotland, A&E and acute medicine, representatives from the health and social care partnership and housing services. Together they were looking to improve service provision and connections between services for people experiencing mental distress.

We joined the Open Government Partnership as part of its health and social care commitment. This group is looking at public participation in various health and care policy areas, our role is to provide feedback to government about their engagement processes. We contributed to the Scottish Government's Place & Wellbeing Programme Steering Group, part of the Care & Wellbeing portfolio, until the group's disbandment.

Kimberley Somerside was invited onto the Third Sector Research Forum's steering group to help develop the network and direct its work during the year. She was also invited to parliament to give feedback to the Scottish Parliament's Citizen's Panel on their recommendations about improving the parliament's accessibility and engagement. Our Chief Executive Claire Stevens continued to serve on and input to the NHS Volunteering National Advisory Group which is managed by Healthcare Improvement Scotland. We were also invited to contribute to a roundtable discussion hosted by the Equality and Human Rights Commission to inform their preliminary findings from Scotland for their state of the nation statutory review. Kimberley Somerside also participated in a Public Health Scotland workshop on improving how the NHS asks for equality data from patients, and this work will continue into 2023.

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. Social media was used actively and helped drive additional visitors to the website. We now have 4,836 Twitter followers. We maintained a very dynamic website with frequent postings through which we shared news items, over 50 guest blogs, policy briefings, key messages, consultation responses, and events listings and presentations. We completed and launched the refresh of our website.

Our monthly ebulletin was distributed to 1,700 recipients each month and full members received additional e-alerts on topics of interest. In the early Spring of 2023 Alison Crofts, our long-standing Membership and Administrative Officer and editor of the e-bulletin conducted a survey of our full member organisations, one of her final tasks before retiring from VHS in June 2023. We will publish the survey results later in the year, and they will inform our future work.

Conferences, workshops and other events

As previously mentioned, Lauren Blair organised 28 online and in-person events, involving 1,175 participants in all. In nearly every case we then published and disseminated Key Messages, written by Kimberley Somerside, giving insights into the content and key themes of each event. An insight into just some of these events follows below.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

This was the first year since the COVID-19 pandemic struck that we were able to offer in-person events, and we soon discovered that our members were hungry for that real life experience again. Our annual conference, with the theme of Fair Health – Who Gets It? was the biggest yet in terms of exhibitors and delegates, with over 200 registered to attend on the day. Professor Jason Leitch, National Clinical Director for Scotland, gave a thought provoking keynote speech, reflecting on his experience at the heart of the Scottish Government's response throughout the pandemic, and we had an excellent Chair in the person of Justina Murray, Chief Executive Officer at Scottish Families Affected by Drugs and Alcohol.

We had positive feedback and well attended Members Meet-Ups in October and January, the first exploring the impact of the cost of living crisis on health and the second exploring partnership working in the context of public health and the COVID-19 vaccine. We also organised member events on the health and social care strategy for older people and on the data strategy for health and care. 48 people attended our AGM and Annual Lecture on St Andrew's Day, with presentations from Susan Murray, Director at the David Hume Institute, and from a former VHS policy engagement officer, Susan Brown, now Clerk to the Health, Sport and Social Care Committee.

Public Health Scotland commissioned us to organise and run an online learning event in February for 55 people from across the public health workforce, on the topic of effective community advocacy in health. Presentations from Waverley Care, Chest, Heart and Stroke Scotland, and the Third Sector Interfaces from Stirling and Clackmannanshire promoted the practical work of third sector organisations at a grassroots public health level.

VHS were delighted to be back at SCVO's The Gathering, live in Glasgow for the first time since 2020. We attracted 120 people to our workshop on 'Building a Healthy and Health Creating Scotland'. Our panel discussion focused on health inequalities, the right to health and the need for more inclusive healthcare, with inputs from Kidney Research UK, Cope Scotland, Stroke Association, and HIV Scotland.

Engaging with and influencing national policy

Since its inception in 2016 we have led the Health Policy Officers Network (HPON), a network providing peer support for health policy officers across the third sector. With over 50 members from a range of organisations, we help network members horizon scan the policy landscape and make sense of it, bringing them together to learn from each other and engage with external stakeholders such as the Scottish Parliament. This year it functioned mainly via emails, with the addition of a meeting with the Clerk to the Health Social Care and Sport Committee, during the Committee's former consultation about the National Care Service Bill.

We responded to two consultations on Freedom of Information reform, which could have major implications for the third sector. We responded to the government's consultation and to MSP Katy Clark's Members Bill. We supported the ambition of maintaining and strengthening people's access to information rights but had concerns about the impact some of the proposals might have on the sustainability of the voluntary sector.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

We continued to be active members of the Scottish Government's Primary Care Health Inequalities Development Group. 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 reported on above. Our active participation in this group meant we were invited to represent the Group at meetings with the Cabinet Secretary for Health in February, and (looking ahead) in July 2023.

We responded to the Scottish Government consultation on the Public Sector Equality Duty, welcoming the potential move towards a more intersectional approach with regards to data collection and the proposal to extend pay gap reporting to include ethnicity and disability. However, we also said that the current proposals do not go far enough in terms of considering socio-economic circumstance and caring responsibilities.

Responding to the consultation on the Health and Social Care for Older People strategy we focused on older people's mental health. Prior to this we had held a consultation engagement event in May, in partnership with the Scottish Government.

We also responded to the Scottish Government consultation on the Cancer Strategy, pointing out there are significant inequalities in cancer prevention, diagnosis, treatment and support which vary across different cancers and communities. We called for a shift in the current proposals in relation to prevention. Prevention in health policy needs to be far more ambitious and all encompassing. It should consider access to good food, opportunities for exercise and active travel alongside accessible services to aid prevention.

A further consultation response was on the Data Strategy for Health and Social Care, marking the culmination of a significant level of engagement with our membership on this topic. Our response said that without consistent access to data, third sector partners in health and social care work with one hand tied behind their back. Our sector needs access to data to improve delivery and ensure our services are tailored to the communities and people we serve. We also need to be recognised as a rich source of data on the ground working with communities.

A number of these consultations ran over the summer of 2022, so we did not submit a written response to the National Care Service Bill consultation, as the timing proved too challenging. However, Kimberley Somerside organised a meeting in August to enable the Health Policy Officers Network to engage with the Clerk to the Health Social Care and Sport Committee, during the Committee's own consultation about the Bill. Then, in September, the Scottish Parliament Information Centre (SPICE) gave us permission to publish their excellent overview of the Bill, in the form of a blog. SPICE and the Parliament's outreach team also agreed to run a workshop on the Bill at our annual conference in October.

Another summer consultation was on the mental health and wellbeing strategy, limiting our scope to engage VHS membership ahead of writing our response. This meant our response focused strongly on previously rehearsed themes, including older people's mental health (drawing on our Falling Off a Cliff at 65 collaborative work) and on social isolation and loneliness (drawing on our publication, The Zubairi Report).

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

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 £18,756 (2022: £1,516) for the year before actuarial gains (2022: actuarial gains). There was a surplus of £22,481 (2022: £36,168) on unrestricted funds and a deficit of £3,685 (2022: deficit of £18,329) on restricted funds, after actuarial gains (2022: actuarial gains) on the pension scheme and transfers.

Total funds as at the year-end amounted to £183,669 (2022: £164,873) including £18,038 restricted funds (2022: £21,723) and £ 165,631 (2022: £143,150) unrestricted funds.

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

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 2023, being unrestricted non designated funds before deduction of pension liability, were £168,154 (2022: £147,654).

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. The Board undertook further resilience planning this year in relation to the potential loss of key personnel.

The Directors continued to actively monitor the performance of the Scottish Voluntary Sector Pension Scheme, our former pension scheme, 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.

Looking ahead, the Board has agreed a set of milestones to ensure VHS meets the requirements of the Scottish Government's Fair Work First agenda, as this is now a condition of government funding. Whilst VHS already meets most of the requirements, our view is that we should set ourselves some stretch targets. In June 2023 VHS will become an accredited Living Wage Employer, to formalise and promote our existing practice.

PLANS FOR FUTURE PERIODS

Looking ahead into 2023/24, we continue to rely on the financial support of the Scottish Government Health and Social Care Directorates. In March 2023 the Healthcare Quality and Improvement Directorate agreed to provide funding for our main work programme for another financial year. This will be at the same level as the previous nine years, at £195,000. Although there has been no financial uplift in this grant for many years, it gives us financial security for our core work and acts as important leverage in securing other funds and support. The Primary Care Directorate has also awarded £65,957 project

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

PLANS FOR FUTURE PERIODS (continued)

funding for 2023/24, to enable our continued development of the Scottish Community Link Worker Network.

Other sources of income will include member fees, conference fees and sponsorship, and commissioned and partnership work. Confirmed income from commissioned/partnership work for this coming year include fees for research projects with Volunteer Edinburgh and with the University of Manchester.

As we look ahead, a highlight in the 2023 calendar will be this year's annual conference, The Health Creators Summit, with a programme that includes Michael Matheson MSP, Cabinet Secretary for NHS Recovery, Health and Social Care, and Lord Nigel Crisp, former Chief Executive of NHS England and author of *Health is Made at Home, Hospitals are for Repairs*.

Looking even further ahead, in 2024 we will celebrate VHS's 20th anniversary as a charity and company limited by guarantee.

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.

Three Board members retired during the year: Lucy Mulvagh, Gemma Crompton and Jonathan Ssentamu. Their commitment and service to VHS was gratefully acknowledged by staff and the Board.

Our 18th AGM was held in person at Edinburgh's Storytelling Centre on St Andrew's Day, 30th November 2022, with 48 attendees. Two new Directors, Bushra Riaz of Kidney Research UK and Emma Nieminen of Diabetes Scotland, were elected at the AGM.

Induction and conduct of Directors

During the year three business meetings were held, two online and one hybrid. A joint 'Team VHS' development day with the staff was held in-person. Throughout the year Board members engaged actively with the business of VHS in a wide range of ways, including advice to the Chief Executive and attendance and inputs at VHS events. This year the Board began an exercise to ensure that our core values are understood and are being embedded. This involved consulting and engaging with the staff team.

Our two 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. They also had individual briefing meetings with the Chair and Chief Executive and completed conflict of interest statements.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

Management of Staff

In September we welcomed Findlay Smith to the team for a 12 month period, as policy and research officer for the Scottish Community Link Worker Network. As the financial year neared its end, Alison Crofts announced her retirement after 23 years of service at VHS in various roles, most recently as Membership and Administrative Officer. Alison's departure marks the end of an era, and she will be greatly missed. She joined VHS whilst it was still a project hosted by SCVO, four years before VHS became a charity and company in its own right in 2004. As an interim measure, to ensure the continued smooth running of our financial operations, we have retained Heather Hartman on a part-time consultancy basis as our finance manager. During the summer of 2023 we will be recruiting our first Communications and Membership Officer.

Following the easing of restrictions imposed by the Covid-19 pandemic, staff continued to work on a hybrid basis, as a balance of online and in-person working continued to be the most practical, productive and effective means of conducting our business. We reviewed this regularly and staff continued to report that they enjoyed the mix of online and in-person working and wished it to continue. Performance management and support was provided through regular one to one and team meetings, both online and in person. The staff worked hard to maintain our strong ethos of team collaboration and mutual support. The Chief Executive met regularly with the Chair, Vice Chair and Treasurer and reported regularly to the full Board.

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number
SC267315

Charity Number
SC035482

Directors

Rob Murray	Chair
David Main	Treasurer
Bushra Riaz	(Appointed 30 November 2022)
Gemma Crompton	(Resigned 11 July 2022)
Lucy Mulvagh	(Resigned 30 November 2022)
Maureen O'Neill	Vice-chair
Jonathan Ssentamu	(Resigned 30 November 2022)
Nicola Sinclair	
Emma Niemenen	(Appointed 30 November 2022)
Ian Bruce	
Wilma Paterson	
Paul Mooney	
Christine Carlin	

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
Findlay Smith	Policy and Research Officer

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 2023

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 Statement of Recommended Practice;
- 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 10 October 2023 and signed on their behalf by:



Rob Murray
Chair, VHS

VOLUNTARY HEALTH SCOTLAND

YEAR ENDED 31 MARCH 2023

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts for the year ended 31 March 2023 as set out on pages 15 to 29.

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

10 October 2023

VOLUNTARY HEALTH SCOTLAND

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT**

YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:					
Charitable activities	2	22,125	258,260	280,385	230,210
Investments					
Bank interest		820	-	820	781
Total		<u>22,945</u>	<u>258,260</u>	<u>281,205</u>	<u>230,991</u>
Expenditure on:					
Charitable activities	3	504	261,945	262,449	229,475
Total		<u>504</u>	<u>261,945</u>	<u>262,449</u>	<u>229,475</u>
Net income/(expenditure)		22,441	(3,685)	18,756	1,516
Transfers between funds	12	-	-	-	-
Actuarial gains/(losses)	15	40	-	40	16,323
Net movement in funds		22,481	(3,685)	18,796	17,839
Reconciliation of funds:					
Total funds brought forward		<u>143,150</u>	<u>21,723</u>	<u>164,873</u>	<u>147,034</u>
Total funds carried forward	12	<u><u>165,631</u></u>	<u><u>18,038</u></u>	<u><u>183,669</u></u>	<u><u>164,873</u></u>

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 18 to 29 form part of these financial statements.

VOLUNTARY HEALTH SCOTLAND

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	7		729		-
Current assets					
Debtors	8	33,035		1,257	
Cash at bank and in hand		176,957		176,798	
		—————		—————	
			209,992	178,055	
Current liabilities					
Creditors: amounts falling due within one year	9	(24,529)		(8,678)	
Provision for liabilities due within one year	15	(2,153)		(2,090)	
		—————		—————	
Net current assets			183,310		167,287
			—————		—————
Total assets less current liabilities			184,039		167,287
Provision for liabilities due in more than one year	15		(370)		(2,414)
			—————		—————
Net assets	13		183,669		164,873
			=====		=====
Funds					
Unrestricted funds: General fund			168,154		147,654
Designated funds			(2,523)		(4,504)
Restricted funds			18,038		21,723
			—————		—————
	12		183,669		164,873
			=====		=====

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 2023

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 10 October 2023 and signed on its behalf by:

Rob Murray

Rob Murray, Chair

The notes on pages 18 to 29 form part of these financial statements.

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 31st March 2024. 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 2023/24. In expectation of continued support, the Directors have continued to adopt the going concern basis of accounting.

(b) Income

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

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

(c) Expenditure

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

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its members.
- 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 2023

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 2023

2. Income from charitable activities

	Unrestricted Funds £	Restricted funds £	2023 Total £	2022 Total £
Grants receivable				
Scottish Government	-	195,000	195,000	195,000
NHS Tayside	-	-	-	12,000
Scottish Government – SCLWN*	-	63,260	63,260	14,300
	<u>-</u>	<u>258,260</u>	<u>258,260</u>	<u>221,300</u>
Event income	14,115	-	14,115	1,771
Membership subscriptions	8,010	-	8,010	7,139
	<u>22,125</u>	<u>258,260</u>	<u>280,385</u>	<u>230,210</u>

*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 £258,260 (2022: £221,300). 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 2023

3. Expenditure on charitable activities

	2023	2022
	Total	Total
	£	£
Office equipment	0	2,801
Events and communications	21,420	809
Staff costs (Note 5)	180,020	150,280
Other staff costs	482	1,306
Rent and service charges	13,503	12,236
Other overhead costs	10,504	15,112
Legal and professional fees	1,196	3,668
Project costs *	31,634	41,094
Depreciation	243	-
Pension scheme interest payable (Note 15)	504	196
<u>Governance costs</u>		
Independent examiner's fees	2,400	1,920
Board meeting and development costs	543	53
	—————	—————
	262,449	229,475
	=====	=====

Included above is restricted expenditure amounting to £261,945 (2022: £229,279).

*Direct project costs for SCLWN excluding staff employed by VHS

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4. Net income/(expenditure) for the year

	2023	2022
This is stated after charging:	£	£
Independent examiner's remuneration	2,400	1,920
Operating lease rentals:		
Land and buildings	12,236	12,236

One (2022: none) board member was reimbursed travel expenses during the year amounting to £35 (2022: £Nil) in total.

The charity paid £872 (2022: £861) 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

	2023	2022
	£	£
Salaries and wages	157,943	132,545
Employer's social security costs	12,708	9,296
Employer's pension costs	9,369	8,439
	180,020	150,280
	180,020	150,280

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

	2023	2022
	5	4
	5	4

No employee was paid a salary of more than £60,000 (2022: none) and no director received any remuneration (2022:none). Key management personnel received total remuneration, including employer pension contributions and employer national insurance contributions, amounting to £59,211 (2022: £56,442) 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 2023

7. Tangible Fixed Assets

	Computer equipment £	Total £
Cost		
At 1 April 2022	1,204	1,204
Additions	972	972
	-----	-----
At 31 March 2023	2,176	2,176
	=====	=====
Depreciation		
At 1 April 2022	1,204	1,204
Charge for the year	243	243
	-----	-----
At 31 March 2023	1,447	1,447
	=====	=====
Net Book Value		
At 31 March 2023	729	729
	=====	=====
At 31 March 2022	-	-
	=====	=====

8. Debtors

	2023 £	2022 £
Trade debtors	2,286	-
Grants receivable	18,978	-
Prepayments	11,771	1,257
	-----	-----
	33,035	1,257
	=====	=====

9. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	16,926	2,160
PAYE and NI	4,165	3,898
Pension contributions	1,209	1,044
Deferred income (Note 10)	2,229	1,576
	-----	-----
	24,529	8,678
	=====	=====

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

10. Deferred income

	Subscriptions £	Total 2023 £	Total 2022 £
Balance at 1 April 2022	1,576	1,576	1,329
Released to Statement of Financial Activities	(1,576)	(1,576)	(1,329)
Income received and deferred in year	2,229	2,229	1,576
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	2,229	2,229	1,576
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. Operating lease commitments

At 31 March 2023 the charity had aggregate commitments under non-cancellable operating leases for rent and service charges payable as set out below:

	2023 £	2022 £
Payable within one year	1,750	1,750
	<hr/> <hr/>	<hr/> <hr/>

12. Funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	Gains/ losses £	At 31 March 2023 £
Unrestricted funds						
General funds	147,654	22,945	(426)	(2,019)	-	168,154
Designated funds:						
Pension provision	(4,504)		(78)	2,019	40	(2,523)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	143,150	22,945	(504)	-	40	165,631
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
Strategic work programme	20,539	195,000	(214,607)	-	-	932
Scottish Government SCLWN	1,184	63,260	(47,338)	-	-	17,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	21,723	258,260	(261,945)	-	-	18,038
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	164,873	281,205	(262,449)		40	183,669
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

12. Funds (continued)

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 funds forward are principally to cover the costs of the CLWN conference on 24 May 2023.

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 2022 for comparative purposes:

	At 1 April 2021	Income	Expenditure	Transfers	Gains/ losses	At 31 March 2022
	£	£	£	£	£	£
Unrestricted funds						
General funds	131,596	9,691	-	6,007	-	147,654
Designated funds:						
Pension provision	(24,974)	-	(196)	4,343	16,323	(4,504)
	-----	-----	-----	-----	-----	-----
	106,982	9,691	(196)	10,350	16,323	143,150
	-----	-----	-----	-----	-----	-----
Restricted funds						
Strategic work programme	13,723	195,000	(188,184)	-	-	20,539
Community Link Work	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	-	12,00	(10,000)	(2,000)	-	-
	-----	-----	-----	-----	-----	-----
	40,052	221,300	(229,279)	(10,350)	-	21,723
	-----	-----	-----	-----	-----	-----
Total funds	147,034	230,991	(229,475)	-	-	164,873
	=====	=====	=====	=====	=====	=====

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

13. Analysis of funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	-	729	729
Net current assets	166,001	17,309	183,310
Pension provision payable in more than one year	(370)	-	(370)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	165,631	18,038	183,669
	<u> </u>	<u> </u>	<u> </u>
	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)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	143,150	21,723	164,873
	<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 2023

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: £1,473,969 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 1st April)

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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.

	2023	2022
	£	£
Present value of provision for Voluntary Health Scotland	2,523	4,504
	<u> </u>	<u> </u>

Reconciliation of Opening and Closing Provisions

	2023	2022
	£	£
Provision at start of period	4,504	24,974
Unwinding of the discount factor (interest expense)	78	196
Deficit contribution paid	(2,019)	(4,343)
Remeasurements - impact of any change in assumptions	-	(67)
Remeasurements - amendments to the contribution schedule	(40)	(16,256)
	<u> </u>	<u> </u>
Provision at end of period	2,523	4,504
	<u> </u>	<u> </u>

Income and Expenditure Impact

	2023	2022
	£	£
Interest expense	78	196
Remeasurements – impact of any change in assumptions	-	(67)
Remeasurements – amendments to the contribution schedule	(40)	(16,256)
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	9,369	8,439

Assumptions

	2023	2022	2021
Rate of discount (% per annum)	5.4	2.30	0.86

VOLUNTARY HEALTH SCOTLAND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Year 1	2,153	2,090
Year 2	370	2,153
Year 3	-	370

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 2022. At this date the estimated employer debt for Voluntary Health Scotland was £38,209, which includes the provision recognised in the financial statements above. The Directors have no intention of withdrawing from the scheme in the foreseeable future.