Aberdeenshire Voluntary Action
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 March 2022

Company number: SC137343

Charity number: SC014223

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Company information

Directors	Mr CM White (Chairperson from 6 December 2021) Mr MS Adams (Chairperson to 6 December 2021) Mr JS Bruce Ms S Kinsey Ms FPJ Smith (Treasurer) Mr DP Briggs
Company secretary	Ms J Milne
Chief Executive	Mr D Shaw
Registered office	45 Queens Road Aberdeen AB15 4ZN
Auditors	Henderson Loggie LLP 45 Queens Road Aberdeen AB15 4ZN
Bankers	Unity Trust Bank plc 9 Brindleyplace Birmingham B1 2HB

Directors' report

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the directors.

The Board of directors presents its report and annual financial statements for the year ended 31 March 2022.

The company information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association of the company and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Government document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The directors provide strategic direction to the charity and the Chief Executive Officer reports directly to the Board of directors. The Chief Executive Officer is line managed by the Chair. The Chief Executive Officer is responsible for the operational management of the organisation on a day to day basis and is supported by the Head of Development.

Directors

During the year the directors who held office were as follows:

Mr MS Adams
Mr DP Briggs
Mr JS Bruce
Ms S Kinsey
Ms FPJ Smith
Mr CM White

Recruitment and appointment of new directors

Directors are elected annually at the Annual General Meeting. The maximum number of directors shall be 12 and the minimum shall be 5.

A person shall not be eligible for election / appointment as a director unless he / she is a member of the company or a nominated representative of an organisation which is a member of the company.

Directorship shall be open to any member, or representative of a member organisation, over the age of sixteen who is not disqualified from acting as a Charity Trustee or Company Director by law and meets the requirements as set out in the Trustee/Director Recruitment Pack.

At any general meeting, the members may elect any member, or representative of a member organisation (providing he / she is willing to act) to be a director.

Recruitment and appointment of new directors (continued)

The directors may at any time appoint a member to be a director.

A director who has served for two terms of three years will not be eligible for re-election until a break period of at least one year has been observed.

Induction and training of new directors

All directors have undertaken an induction programme and are fully aware of their responsibilities with respect to governance, strategic planning and oversight. The directors are advised, by the Chief Executive Officer, regarding any proposed legislative changes or Government or Council led developments or initiatives which may impact on their role.

Related parties

A register of directors' interests is maintained and updated on a regular basis. A summary of transactions with directors is set out in note 20 of the financial statements.

Key Management Compensation

None of the directors has been paid any remuneration from employment with AVA or a related entity. Director's expenses of £nil (2021 - £nil) were paid in the year.

Three senior managers receive an aggregate compensation, including all benefits, of £131,287 (2021 – two totalling £96,592) per annum. The Board of directors review the key management compensation annually with reference to the pay rates of similar roles in other Third Sector Interface organisations.

Risk Management

A Risk Register is maintained and regularly reviewed by directors.

The main identified risk to AVA is a reduction in self-generated income, resulting in financial instability. Mitigating actions agreed by the directors include reviewing operational efficiency, implementing a marketing/publicity campaign to stimulate new business and monitoring the viability of trading activities.

Objectives and activities

Objectives and aims

As detailed in the Memorandum of Association, the company has the following objectives:

a. to advance citizenship and community development by assisting voluntary, charitable, social enterprise and community organisations (collectively referred to as the Third Sector) and volunteers to thrive and develop. This will include working with public sector agencies and the provision of services which will strengthen the contribution of the Third Sector and volunteers to the economic, social and cultural development of communities;

b. to advance health and relieve poverty by supporting third and public sector organisations and volunteers to deliver high quality services and activities to vulnerable groups and by operating appropriate projects to deliver services in the local authority area;

c. to advance education through the provision of appropriate training to Third Sector organisations, volunteer involving organisations, public sector bodies, volunteers, potential volunteers and local citizens.

Objectives and activities (continued)

The charity aims to work in partnership with others to build sustainable communities and improve the well-being and potential of individuals and families within those communities. The main objectives of the organisation are aimed at supporting the Third Sector including; community groups, charities, social enterprises and families and individuals within Aberdeenshire.

Key objectives include:

- Promoting and supporting the development of volunteering in Aberdeenshire and providing support and guidance to Volunteer Involving Organisations (VIOs)
- Supporting Third Sector organisations to be well managed, efficient and effective
- Advising and assisting social enterprises to share good practice, grow their business and deliver quality services
- Enabling Third Sector organisations to be better connected and better informed

The organisation seeks to engage at local level with Aberdeenshire Council, Aberdeenshire Health and Social Care Partnership, Aberdeenshire Community Planning Partnership, public and private bodies and other Third Sector operators to ensure there is a coordinated and collaborative approach to the delivery of services and activities that support communities within Aberdeenshire. We seek to ensure that there is a consistent approach across our area of operation. This is achieved by ensuring that we have skilled, positive and knowledgeable staff and volunteers who are committed to the mission, vision and values of Aberdeenshire Voluntary Action.

Achievements and performance

Charitable activities

The organisation through its skilled and knowledgeable staff continues to provide effective support, advice and direction as required to individuals, groups, charities and social enterprises. The specific detail of our engagement activities is included within our Scottish Government Third Sector Interface Workplan. There is a consistent focus on improving our capability to develop a strategic approach to the delivery of services and activities across Aberdeenshire. Support has continued to be delivered to a diverse range of voluntary and community organisations across the Shire, through one-to-one contact, training sessions, and events. An extensive range of guidance and information material has also been made available to organisations seeking support via our website and organisation guidance packs.

Fundraising activities

Magpie, the AVA-owned and managed reuse and charity shop, has consolidated its position and operations over the year however trading activity has been inconsistent when compared to previous normal years due to the pandemic and the differing levels of national restrictions imposed by the Scottish Government.

Magpie secured a number of funding grants that enabled it to break even, and emphasis has been placed on further measures to return it to profit including (but not limited to) detailed analyses of sales, to be more agile in both seeking donations and advertising goods for sale; improvement of online sales channels; management of employee vacancies; and pursuit of multi-year funding grants to enable more charitable activities.

The performance of Magpie as we emerge from the pandemic remains at the forefront of directors' minds.

Significant activities

Our objectives are achieved through a variety of approaches and listed below are some of the key methods we utilise to support the Third Sector in Aberdeenshire.

- Based on learning from the pandemic, Directors approved a change to our operating model meaning that we adjusted from a geography-based model to an interest-based model. Our Development Officers took on specialist roles which are described below, with further expansion of this model expected in the future should funding allow.
  - Governance: Matters relating to members' structure/function/management.
  - Volunteering: Matters related to attracting, onboarding, supporting, and managing volunteers.
  - Funding: Matters related to searching for and securing funding grants.
  - Social Enterprise: Matters related to the role, structure, and function of social enterprises.
  - Children & Families: Creation of a cognate network of groups and engaging with public bodies at strategic level to enable greater integration of the two.
  - Supporting Independent Living: Creation of a cognate network of groups and engaging with Health and Social Care bodies to build capacity.

- Directors approved the purchase of a data reporting system which has enabled AVA to become a more intelligent organisation by recording more information about the groups we work with, without placing significant extra burden on staff. The system is one place to store all information related to Organisations, Interactions, and Services that AVA has contact with, allowing our support for, and promotion of groups and organisations to be more appropriate and applicable. Examples of this enhanced intelligence are highlighted below:
  - Organisations' details include legal structures, charitable status, primary causes, and operating geographies (Local Authority wards and localities, Holyrood constituencies, and UK Parliament constituencies).
  - Interactions' details include purpose, theme, status.
  - Services' details include geographic location (see above), type of service, beneficiary groups, service availability, status, and impact of services.

- Directors recognised that during the pandemic, AVA had engaged with more groups and organisations, delivered more services, and interacted with different agencies more than ever; this all occurred using a predominantly remote method of working and led to the decision that AVA no longer required an office base. Actions were initiated to end the existing office leases so that additional monies could in future be spent on delivering services.

- During the year, AVA has distributed funding on behalf of the Scottish Government to third sector groups and organisations through two specific avenues, both of which have created lasting impacts. AVA set up and managed the administration of both funds, including the applications, assessment, and evaluation activities:
  - Communities Mental Health & Wellbeing Fund: £711,623
  - Community-Based Adult Learning Recovery Fund: £47,000

- Through our programme of support, AVA has expanded our programmes of Forums, Training, and Communications, resulting in higher numbers of attendees and subscribers.

- AVA continues to connect groups to each other, and connect groups to public sector agencies where relevant including through Community Planning Partnership activities at local, executive, and board levels, and through many avenues within Aberdeenshire Council for the purpose of informing and influencing the development of public policy.

- AVA continues to represent the Third Sector within the Aberdeenshire Health and Social Care Partnership.

Public benefit

The organisation operates in a manner that is completely for the public benefit. We seek to work either as an individual organisation or in partnership with others to support individuals, groups and families and to assist to build sustainable communities. We do this through an approach that allows us to engage locally with key stakeholders but also at a regional, strategic level via Community Planning.

Volunteers

Magpie has continued to operate with the valuable contribution that has been made by a loyal group of volunteers. During the year, we were supported by the contribution of 25 volunteers who offered different levels of time commitment.

Future plans

Through careful consideration of future spending, the Directors expect to be able to use monies saved by withdrawing from property leases to expand services that AVA is able to offer. This includes the following:

- Expectation of expanding the Development team and their specialisms which will likely include the following:
  - Mental Health: Creation of a network of groups and organisations who deliver support for mental health across Aberdeenshire.
  - Business Planning: Providing support for groups and organisations with business planning prior to them applying for funding. This will also include guidance during grant application processes for groups.
  - Policy & Consultations: Engagement with national, regional and local policies, making them accessible for groups and organisations to engage with and offer their views through effective consultation processes.
- Expansion of the support programme, including additional forums and training (including in the new development areas listed above).
- Further enhancement of AVA's membership benefits programme.

Financial review

The results for the year and financial position of the company are shown on pages 12 and 13. The company is reporting a surplus for the year of £53,015 (*2021* – £136,616).

Resources have been expended to ensure that appropriate and timely financial information is available to the management team and the Board of Directors.

Principal funding sources

Our main funding sources are The Scottish Government & The Aberdeenshire Health & Social Care Partnership. We greatly appreciate their support as we look to deliver agreed outcomes in our area of operation. The Scottish Government has committed to building on the support currently available to Third Sector Interfaces through its Programme for Government and we await information on what this will mean for AVA. We will continue to seek a balanced portfolio of funding arrangements. More focus on income generation routes for Magpie is also beneficial and will continue to be monitored closely as we navigate our operating environment.

Covid-19

AVA has continued to be mindful of the Covid-19 pandemic and placed restrictions on staff engaging in face-to-face meetings in line with government restrictions when appropriate. Senior Management have been mindful that staff will have different views of the associated risks based on their individual and family circumstances. As restrictions have been lifted, staff are starting to re-engage in a face-to-face manner, but a majority of our interactions have remained in the virtual space.

AVA is still supporting many organisations as they are still coming to terms with the impact of the pandemic on their own operations, and will continue to do so for as long as is necessary.

Reserves policy

The directors have agreed our goal is to maintain at five months of core operating costs as reserves to ensure we are able to effectively mitigate against any potential financial issues or other unforeseen circumstances. All future project activities will be self-sufficient, fully funded and contribute to core overhead costs. Resulting predominantly from significantly restricted expenditure, AVA has during this financial year managed to cover 96% of five months core operating costs and will continue to work towards covering this in full in future years. Through the annual budgeting process, the five months of operating costs will be viewed as the new baseline, with no planned spending being allowed to compromise the reserves policy in the future.

The directors will regularly monitor the annual budgeting process and oversee an annual review of business efficiencies before agreeing the prioritisation and allocation of financial resources.

As a result of ongoing efforts by directors and staff alike, we are pleased to report that AVA is in a position of financial stability and is able to continue supporting Aberdeenshire's invaluable community, voluntary, and third sectors who deliver critical services for a significant proportion of Aberdeenshire's population.

Auditors

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Directors on 9 November 2022 and signed on its behalf by:

Fiona Smith
Fiona Smith - 2022-11-16, 18:40:25 UTC

FPJ Smith
Director

Statement of directors' responsibilities

The directors (who are also the trustees of Aberdeenshire Voluntary Action for the purposes of charity law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 incoming resources and application of resources, including the income and expenditure of the charitable company for that period. 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 Charity SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors report to the directors and members of the Aberdeenshire Voluntary Action

Opinion

We have audited the financial statements of the Aberdeenshire Voluntary Action (the 'company') for the period ended 31 March 2022 which comprise the statement of financial activities, balance sheet, the statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing ((UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report which includes the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report which includes the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report which includes the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of our planning process:

- We enquired of management about the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: compliance with health and safety, GDPR, employment law (including the Working Time Directive), and compliance with the UK Companies Act, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts Regulations 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of defined benefit pension scheme obligations, the valuation of tangible fixed assets, recoverability of debtors, and the application of accruals and deferred income; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements , the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

FionaMorgan
Fiona Morgan - 2022-11-17, 07:58:36 UTC

Fiona Morgan (Senior Statutory Auditor)
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
45 Queens Road
Aberdeen
AB15 4ZN

Date 17 NOV 2022

Aberdeenshire Voluntary Action
(A company limited by guarantee)

Statement of financial activities for the year ended 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Income:							
Donations and grants	3	**317,240**	**-**	**317,240**	332,784	2,760	335,544
Income from charitable activities	4	**176,170**	**863,011**	**1,039,181**	115,780	228,378	344,158
Income from other trading activities	5	**116,012**	**-**	**116,012**	53,735	-	53,735
Other income	6	**4,513**	**-**	**4,513**	3,967	-	3,967
Total		**613,935**	**863,011**	**1,476,946**	506,266	231,138	737,404
Expenditure:							
Raising funds	7	**146,345**	**-**	**146,345**	123,459	-	123,459
Charitable activities	7	**478,241**	**811,029**	**1,289,270**	244,323	231,895	476,218
Total		**624,586**	**811,029**	**1,435,615**	367,782	231,895	599,677
Net (expenditure)/income		**(10,651)**	**51,982**	**41,331**	138,484	(757)	137,727
Transfers between funds	16	**25,584**	**(25,584)**	**-**	-	-	-
Net movement in funds before recognised losses		**14,933**	**26,398**	**41,331**	138,484	(757)	137,727
Other recognised losses							
Actuarial gains/(loss) on defined benefit schemes	19	**11,684**	**-**	**11,684**	(1,111)	-	(1,111)
Net movement in funds		**26,617**	**26,398**	**53,015**	137,373	(757)	136,616
Reconciliation of funds							
Total funds brought forward	16	**238,818**	**1,849**	**240,667**	101,445	2,606	104,051
Total funds carried forward	16	**265,435**	**28,247**	**293,682**	238,818	1,849	240,667

Registered number SC137343

Aberdeenshire Voluntary Action
(A company limited by guarantee)

Balance sheet at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	**14,649**	10,587
Current assets			
Debtors	13	**22,589**	14,978
Cash at bank and in hand		**435,283**	310,978
		457,872	325,956
Creditors			
Amounts falling due within one year	14	**(170,562)**	(71,183)
Net current assets		**287,310**	254,773
Total assets less current liabilities		**301,959**	265,360
Pension scheme funding deficit	19	**(8,277)**	(24,693)
Net assets after pension fund deficit		**293,682**	240,667
Funds			
Unrestricted funds			
General funds		**273,712**	263,511
Less pension scheme funding deficit		**(8,277)**	(24,693)
Net unrestricted funds	16	**265,435**	238,818
Restricted funds	16	**28,247**	1,849
Members' funds		**293,682**	240,667

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of directors on 9 November 2022 and were signed on its behalf by:

Fiona Smith
Fiona Smith - 2022-11-16, 18:40:25 UTC

FPJ Smith
Director

Charity number SC014223

The notes on pages 15 to 31 form part of these financial statements.

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Cash flow statement at 31 March 2022

	Note	**2022** £	2021 £
Cash flows provided by operating activities:			
Net cash provided by operating activities	21	**135,291**	172,211
Cash flows (used by) / provided by investing activities:			
Purchase of property, plant and equipment		**(10,986)**	(10,616)
Proceeds from disposal of fixed assets		**-**	-
Net cash used in investing activities		**(10,986)**	(10,616)
Change in cash and cash equivalents in the reporting period		**124,305**	161,595
Cash and cash equivalents at 1 April 2021		**310,978**	149,383
Cash and cash equivalents at 31 March 2022		**435,283**	310,978
Being:			
Cash at bank and in hand		**435,283**	310,978

1 Status of the company and liability of members

On the winding up of the company every member has undertaken to contribute to the assets of the company for the payment of the debts and liabilities and of the cost of winding up of the company, such amount as may be required not exceeding one pound. If the winding up occurs within one year of a member ceasing to be a member then the above applies for debts and liabilities of the company contracted for before he ceased to be a member.

Company information

Aberdeenshire Voluntary Action is a company limited by guarantee incorporated in Scotland. The registered office is 45 Queens Road, Aberdeen, AB15 4ZN.

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. They include the results of the operations of the charitable company indicated in the directors' report all of which are continuing.

The financial statements have been prepared in accordance with applicable accounting standards and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Aberdeenshire Voluntary Action meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees are aware of the financial implications of the cost of living crisis on the organisation but do consider that the charity is in a sound financial position and will be able to meet its commitments during 2022-23.

2 Accounting policies (continued)

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether capital or revenue grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from trading activities includes income earned from fundraising and trading activities to raise funds for the charity. Income is received in exchange for supplying goods in order to raise funds and is recognised when entitlement has occurred.

Interest receivable is included when receivable by the charity.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings and aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation and apportionment of costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees together with overhead and support costs.

Governance costs and support costs relating to charitable activities have been allocated based on costs not attributable to one activity and staff time.

Fund accounting

All income and expenditure is dealt with through the statement of financial activities. In the statement of financial activities, funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific purposes, which may be declared by the donors or with their authority (e.g. by restrictive wording or an appeal).

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of Aberdeenshire Voluntary Action.

2 Accounting policies (continued)

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

Taxation

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

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

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

The scheme is classified as a "last man standing arrangement". Therefore, the company is potentially liable for other participating employers' obligations of those employers are unable to meet their share of the scheme deficit on an annuity purchase base on withdrawal from the scheme.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2 Accounting policies (continued)

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Donated goods

Where practicable, donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sales. Where estimating the fair value of donated goods for resale is impractical, due to the volume of low value items received, they are not recognised on receipt. Instead the value to the charity of the donated goods sold is recognised as income when sold.

Judgements in applying accounting policies and key sources of estimation

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charity as a lease are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

- Fixed assets are also assessed as to whether there are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

- The requirement for accruals is assessed using post year end information and information available from detailed budgets. This identified costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

There are no material sources of estimation within the charity.

3 Donations and grants

	2022 £	2021 £
Unrestricted		
Donations	**440**	6,877
Scottish Government grant	**316,800**	316,800
HMRC Coronavirus Job Retention Scheme	**-**	9,107
	317,240	332,784
Restricted		
Donation in kind – capital grant	**-**	2,760
	317,240	335,544

4 Income from charitable activities

	2022 £	2021 £
Unrestricted		
Grants	**167,389**	102,800
Administration	**8,781**	12,980
	176,170	115,780
Restricted		
Grants	**863,011**	228,378
	1,039,181	344,158

5 Income from other trading activities

	2022 £	2021 £
Magpie income	**116,012**	53,735

6 Other income

	2022 £	2021 £
Rent receivable	**-**	3,967
Project income	**4,138**	-
Other income	**375**	-
	4,513	3,967

7 Expenditure

2022	Cost of raising funds Unrestricted	Cost of raising funds Restricted	Charitable activities Unrestricted £	Charitable activities Restricted £	Support costs Unrestricted £	Support costs Restricted £	2022 Total £	2021 £
Wages	85,205	-	313,921	49,581	-	-	448,707	371,651
Social security	5,647	-	24,104	3,843	-	-	33,594	26,882
Pension	4,611	-	14,049	1,949	-	-	20,609	18,490
Staff travel & expenses	-	-	1,667	2,919	933	-	5,519	1,397
Irrecoverable VAT	-	-	5,525	-	-	-	5,525	87
Project costs	-	-	-	747,077	-	-	747,077	56,556
Conferences / events	-	-	-	-	-	-	-	58
Volunteer costs	62	-	-	-	-	-	62	-
Rent	17,523	-	51,525	-	-	-	69,048	39,049
Rates & water	2,710	-	2,598	-	-	-	5,308	6,568
Light & heat	3,958	-	1,161	-	-	-	5,119	3,928
Insurance	2,968	-	-	-	2,294	-	5,262	5,282
Telephone	1,416	-	4,805	295	-	-	6,516	7,228
Cleaning	-	-	-	-	59	-	59	84
IT costs	4,222	-	13,831	2,509	-	-	20,562	22,130
Repairs & renewals	1,680	-	16,443	-	667	-	18,790	1,987
Motor expenses	7,001	-	-	-	-	-	7,001	6,549
Postage & stationery	126	-	1,614	33	-	-	1,773	1,991
Advertising	193	-	637	146	-	-	976	2,222
Training costs	275	-	3,087	-	-	-	3,362	4,000
Subscriptions	431	-	5,176	1,726	-	-	7,333	3,093
Accountancy fees	-	-	-	-	-	-	-	943
Legal & professional	3,199	-	-	-	330	-	3,529	1,086
Sundries	62	-	-	40	597	-	699	536
Bank charges	3,569	-	163	-	-	-	3,732	4,260
Loss on disposal of fixed assets	-	-	918	-	-	-	918	104
Depreciation	752	-	-	911	4,328	-	5,991	6,527
Pension deficit interest (note 19)	-	-	-	-	194	-	194	639
Audit fees	735	-	-	-	7,615	-	8,350	6,350
Board expenses	-	-	-	-	-	-	-	-
	146,345	-	461,224	811,029	17,017	-	1,435,615	599,677

7 Expenditure (continued)

2021	Cost of raising funds Unrestricted	Cost of raising funds Restricted	Charitable activities Unrestricted £	Charitable activities Restricted £	Support costs Unrestricted £	Support costs Restricted £	2021 Total £
Wages	64,373	-	151,473	155,805	-	-	371,651
Social security	4,888		10,909	11,085	-	-	26,882
Pension	3,644		7,308	7,538	-	-	18,490
Staff travel & expenses	-	-	1,397	-	-	-	1,397
Irrecoverable VAT	-	-	87	-	-	-	87
Project costs	-	-	-	56,556	-	-	56,556
Conferences / events	-	-	58	-	-	-	58
Volunteer costs	-	-	-	-	-	-	-
Rent	18,410	-	20,639	-	-	-	39,049
Rates & water	4,933	-	1,635	-	-	-	6,568
Light & heat	2,794	-	1,134	-	-	-	3,928
Insurance	2,566	-	-	-	2,716	-	5,282
Telephone	1,298	-	5,930	-	-	-	7,228
Cleaning	-	-	-	-	84	-	84
IT costs	3,648	-	18,482	-	-	-	22,130
Repairs & renewals	1,527	-	460	-	-	-	1,987
Motor expenses	6,549	-	-	-	-	-	6,549
Postage & stationery	283	-	1,708	-	-	-	1,991
Advertising	450	-	1,772	-	-	-	2,222
Training costs	125	-	3,875	-	-	-	4,000
Subscriptions	450	-	2,643	-	-	-	3,093
Accountancy fees	212	-	-	-	731	-	943
Legal & professional	720	-	135	-	231	-	1,086
Sundries	-	-	-	-	536		536
Bank charges	4,062	-	198	-	-	-	4,260
Loss on disposal of fixed assets	-	-	104	-	-	-	104
Depreciation	756	-	-	911	4,860	-	6,527
Pension deficit interest (note 19)	-	-	-	-	639	-	639
Audit fees	1,771	-	-	-	4,579	-	6,350
Board expenses	-	-	-	-	-	-	-
	123,459		229,947	231,895	14,376	-	599,677

8 Governance costs

	2022 £	2021 £
Audit fees	**8,350**	6,350
Board meeting expenses	**-**	-
	8,350	6,350

9 Net income/(expenditure)

	2022 £	2021 £
Net income/(expenditure) is stated after charging:		
Auditors' remuneration - audit	**8,350**	6,350
- non-audit fees	**-**	943
Depreciation - owned assets	**5,991**	6,527
Other operating leases	**69,049**	39,050
Loss on disposal of fixed assets	**933**	104

10 Directors' remuneration and key management

There was no directors' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Directors' expenses
During the year, expenses of £nil were claimed by directors for travel expenses (2021 - £nil).

Compensation of key management personnel
Key management in post during the year received a total compensation of £131,287 (2021 - £97,147). Key management consisted during the current year of the Chief Executive, Head of Development and Finance & Administration Manager while in the prior year this was the Chief Executive and Head of Development only.

11 Staff costs

	2022 £	2021 £
Wages and salaries	**448,707**	371,651
Social security costs	**33,594**	26,882
Other pension costs	**20,609**	18,490
	502,910	417,022

The average monthly number of employees during the year was 20 (2021 – 16).

There were no employees whose emoluments for the year were greater than £60,000 in either year.

12 Tangible fixed assets

2022	Improvements to property £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 April 2021	10,075	60,542	41,066	111,683
Additions	1,039	-	9,947	10,986
Disposals	-	(4,379)	(20,038)	(24,417)
At 31 March 2022	**11,114**	**56,163**	**30,975**	**98,252**
Depreciation				
At 1 April 2021	9,736	59,417	31,943	101,096
Charge for year	234	107	5,650	5,991
Disposals	-	(3,684)	(19,800)	(23,484)
At 31 March 2022	**9,970**	**55,840**	**17,793**	**83,603**
Net book value				
At 31 March 2022	**1,144**	**323**	**13,182**	**14,649**
At 31 March 2021	339	1,125	9,123	10,587

2021	Improvements to property £	Fixtures & Fittings £	Computer equipment £	Total £
Cost				
At 1 April 2020	10,075	60,806	27,690	98,571
Additions	-	-	13,376	13,376
Disposals	-	(264)	-	(264)
At 31 March 2021	10,075	60,542	41,066	111,683
Depreciation				
At 1 April 2020	9,229	58,745	26,755	94,729
Charge for year	507	832	5,188	6,527
	-	(160)	-	(160)
At 31 March 2021	9,736	59,417	31,943	101,096
Net book value				
At 31 March 2021	339	1,125	9,123	10,587
At 31 March 2020	846	2,061	935	3,842

13 Debtors

	2022 £	2021 £
Trade debtors	**12,169**	2,275
Other debtors	**1,097**	3,938
VAT	**3,025**	4,062
Prepayments and accrued income	**6,298**	4,703
	22,589	14,978

14 Creditors

	£	£
Amounts falling due within one year:		
Trade creditors	**3,145**	2,726
Social security and other taxes	**122**	273
Accruals and deferred income (note 15)	**80,400**	67,824
Other creditors	**86,895**	360
	170,562	71,183

15 Deferred income

	£	£
Opening balance	**49,655**	1,978
Released in year	**(49,655)**	(1,978)
Deferred in year	**55,016**	49,655
Closing balance	**55,016**	49,655

Deferred income relates to grants received pre year end for projects that end post year end. Deferred income of £28,747 relates to the Scotspirit Voucher Scheme and is repayable if expenditure is not incurred. £26,542 relates to NHS Grampian Endowment Fund and relates to monies received to deliver a community based support programme with the appointment of a coordinator therefore the deferral relates to salary costs and has been deferred to align with these costs.

16 Funds
2022

	Brought forward £	Income £	Expenditure £	Transfer £	Gains/(losses) £	Closing balance £
Restricted						
Capital grant – Vodafone	1,849	-	(911)	-	-	**938**
Scottish Government - Aberdeenshire Health and Social Care Partnership Volunteer Project	-	12,623	(6,377)	-	-	**6,246**
Scottish Government – Communities-Based Adult Learning Fund	-	47,000	(42,970)	(4,030)	-	**-**
Scottish Government - Communities Mental Health and Wellbeing Fund	-	711,623	(702,643)	-	-	**8,980**
NHS Grampian Endowment Fund – Connecting Communities	-	40,733	(22,181)	(6,777)	-	**11,775**
Aberdeenshire Council – Young Persons Grant	-	49,655	(34,570)	(14,777)	-	**308**
Scottish Government - ScotSpirit Voucher Scheme	-	1,377	(1,377)	-	-	**-**
Total restricted funds	1,849	863,011	(811,029)	(25,584)	-	**28,247**
Unrestricted funds						
General	238,818	613,935	(624,586)	25,584	11,684	**265,435**
Total unrestricted funds	238,818	613,935	(624,586)	25,584	11,684	**265,435**
Total funds	240,667	1,476,946	(1,435,615)	-	11,684	**293,682**

16 **Funds (Continued)**
2021

	Brought forward £	Income £	Expenditure £	Transfer £	Gains/(losses) £	Closing balance £
Restricted						
PoPP	2,606	930	(3,536)	-	-	-
Capital grant – Vodafone	-	2,760	(911)	-	-	1,849
Scottish Government – Strategic Framework Business Fund	-	24,000	(24,000)	-	-	-
Scottish Government – Coronavirus Business Support Grant	-	32,500	(32,500)	-	-	-
Scottish Government – Third Sector Resilience Funding	-	38,253	(38,253)	-	-	-
Supporting Communities Funding	-	55,000	(55,000)	-	-	-
Community Wellbeing Fund – Capacity Building	-	77,695	(77,695)	-	-	-
Total restricted funds	2,606	231,138	(231,895)	-	-	1,849
Unrestricted funds						
General	101,445	506,266	(367,782)	-	(1,111)	238,818
Total unrestricted funds	101,445	506,266	(367,782)	-	(1,111)	238,818
Total funds	104,051	737,404	(599,677)		(1,111)	240,667

16 Funds (continued)

Restricted funds

Psychology of Parenting Project (PoPP)	Aims to improve availability of high quality, evidence-based parenting programmes for families with young children who have elevated levels of behavioural problems. Funded by Aberdeenshire Health & Social Care Partnership, AVA employs a part-time administrator to assist with the booking and transport arrangements for the parenting groups as well as recording data for the project.
Capital grant – Vodafone	Contribution towards the new equipment.
Scottish Government – Strategic Framework Business Fund	Funding provided by the Scottish Government to support businesses required to close by law as a result of Covid-19 restrictions.
Scottish Government – Coronavirus Business Support Grant	Funding provided by the Scottish Government as part of the Coronavirus business support available to help to protect jobs, prevent business closure and promote economic recovery.
Scottish Government – Third Sector Resilience Fund	Funding provided by the Scottish Government as part of the Coronavirus business support available to third sector organisations impacted on by the restrictions caused by Covid-19.
Supporting Communities – Community Wellbeing Fund	Funding provided by the Scottish Government as part of an investment package to provide financial support targets through community anchor organisations, working in partnership with others in the community and with public services, in co-ordinating local responses to the pandemic.
Aberdeenshire Health and Social Care Partnership Volunteer Project	Funding provided for a recruitment and training service for volunteers to support care homes across Aberdeenshire.
Communities Mental Health and Wellbeing Fund	Funding to manage a grants programme related to mental health and Wellbeing across communities of interest and geography, and funds for onward distribution through said programme.
NHS Grampian Endowment Fund – Connecting Communities	Funding to deliver a community-based support programme that seeks to reduce the time people spend in hospital and reduce the likelihood of them being readmitted to hospital.
Aberdeenshire Council – Young Persons Grant	Funding to deliver an employability support programme where young people can earn a Scottish Qualifications Authority accredited award and gain volunteer experience to support their route into future employment.
Scotspirit Voucher Sceme	Funding that supports carers to take a break from their caring responsibilities for a short time.
Scottish Government – Communities-Based Adult Learning Fund	Funding provided by the Scottish Government to support Community Learning and Development Activities to restart following the Pandemic

17 Operating lease commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Expiring:		
Within one year	**20,400**	41,300
Between one and five years	**31,208**	78,208
	51,608	119,508

Lessor
At the reporting end date the company had outstanding commitments for future minimum lease income under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Expiring:		
Within one year	**-**	667
	-	667

18 Analysis of net assets between funds

	Unrestricted funds	**Restricted funds**	**2022 Total Funds**
	£	**£**	**£**
Fixed assets	**13,711**	**938**	**14,649**
Cash at bank	**269,575**	**165,708**	**435,283**
Other net current liabilities	**(9,574)**	**(138,399)**	**(147,973)**
Pension liability	**(8,277)**	**-**	**(8,277)**
	265,435	**28,247**	**293,682**

	Unrestricted funds	**Restricted funds**	**2021 Total Funds**
	£	**£**	**£**
Fixed assets	8,738	1,849	10,587
Cash at bank	310,978	-	310,978
Other net current liabilities	(56,205)	-	(56,205)
Pension liability	(24,693)	-	(24,693)
	238,818	1,849	240,667

19 Pension commitments

The company participates in 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 3% each year on 1 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 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 3% each year on 1 April).

From 1 April 2019 to 30 September 2027: £136,701 per annum (payable monthly and increasing 3% each year on 1 April).

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.

19 Pension commitments (continued)

	2022	2021
	£	£
Present valuation of provision		
Reconciliation of opening and closing provision		
Provision at 1 April 2021	**24,693**	27,112
Unwinding of the discount factor (interest expense)	**194**	639
Deficit contribution paid	**(4,926)**	(4,169)
Remeasurements - impact of any change in assumptions	**(124)**	1,111
Remeasurements – amendments to the contribution schedule	**(11,560)**	-
Provision at 31 March 2022	**8,277**	24,693
	£	£
Income and expenditure impact		
Interest expense	**194**	639
Remeasurements - impact of any changes in assumptions	**(124)**	1,111
Remeasurements – amendments to the contribution schedule	**(11,560)**	-

Assumptions

	31 March 2022 % per annum	31 March 2021 % per annum	31 March 2020 % per annum
Rate of discount	**2.3**	**0.86**	2.57

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.

20 Related party transactions

During the year the charitable company received £191 (2021 - £nil) from the Marr Area Partnership, a business with a director/proprietor in common. Marr Area Partnership also had a debtor balance of £33 (2021 – £nil).

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

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	**53,015**	136,616
Adjustments for:		
Depreciation charges	**5,991**	6,527
Loss on fixed asset disposal	**933**	104
(Increase)/Decrease in debtors	**(7,611)**	(3,917)
Increase/(Decrease) in creditors	**99,379**	38,060
FRS 102 pension movement	**(16,416)**	(2,419)
Donations in kind	**-**	(2,760)
Net cash provided by operating activities	**135,291**	172,211

22 Control

The company is controlled by the directors.