

**Aberdeenshire Voluntary Action**  
(A company limited by guarantee)

**Directors' report and financial statements  
for the year ended 31 March 2021**

**Company number: SC137343**

**Charity number: SC014223**

**Aberdeenshire Voluntary Action  
(A company limited by guarantee)**

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**Aberdeenshire Voluntary Action  
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**Company information**

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**Directors** Mr MS Adams (Chairperson)  
Mr JS Bruce  
Ms S Kinsey  
Ms FPJ Smith  
Mr DP Briggs  
Mr CM White

**Company secretary** Ms J Milne

**Chief Executive** Mr D Shaw

**Registered office** 57 Station Road  
Ellon  
Aberdeenshire  
AB41 9AR

**Auditors** Henderson Loggie LLP  
45 Queens Road  
Aberdeen  
AB15 4ZN

**Bankers** Unity Trust Bank plc  
9 Brindleyplace  
Birmingham  
B1 2HB

**Aberdeenshire Voluntary Action  
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**Directors' report**

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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 2021.

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.

Mr D Shaw was appointed as Chief Executive on 15 April 2019.

**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

On 30 October 2020, Mr DGF Hekelaar resigned as a director and as the company secretary. On 25 May 2020, Mr J Blackett resigned as a director and on 15 January 2021, Ms VMA Brown resigned as a director.

**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.

**Directors' report (continued)**

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**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 five consecutive 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 (2020 - £1,076) were paid in the year.

Two senior managers receive an aggregate compensation, including all benefits, of £96,592 (2020 - £92,731) 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.

**Aberdeenshire Voluntary Action  
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**Directors' report (continued)**

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**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 organisation 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 has consolidated its position and operations over the year however trading activity has been significantly lower than in the previous normal years due to the pandemic and the national restrictions imposed by the Scottish Government. In the previous financial year, our units at Tillybrake and Bridge Street (both of Banchory) returned to profit after several difficult trading years and closures, and to try and maximise this return to profit, the decision was made to close the Bridge Street shop and centralise Magpie operations to Tillybrake, thus reducing our overheads further.

The pandemic and the resulting closure of trading facilities across Scotland, and the wider UK, affected our fundraising activities significantly. The shop was open for under 6 months (April to mid-July, and January to March), and trading between opening in July after lockdown 1 and closing in December for lockdown 2 was both unpredictable and significantly lower than in previous similar time periods. During this reporting period, AVA made significant use of the grants programme that supported the charitable sector to remain able to reopen once allowed to.

The AVA Board of directors has since implemented a series of measures that seeks to improve Magpie's financial performance. These include more forensic analysis of sales, to be more agile in both seeking donations and advertising goods for sale; expansion of online sales channels; pursuit of tendered-for work to mitigate against unpredictable sales; management of employee vacancies; and engagement with national employability programmes to increase capacity to sell through multiple channels.

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

**Directors' report (continued)**

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**Achievements and performance (continued)**

**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.

- In response to the pandemic, AVA supported community, voluntary and third sector organisations in a number of ways:
  - Moved our entire operations into Microsoft Teams to enable better, faster and more accessible collaboration between the entire AVA team.
  - Collaborated with the Grampian Coronavirus Assistance Hub to deliver significant support for people across Aberdeenshire.
  - Adjusted the areas that our Development Officers covered to allow for clear reporting lines into Aberdeenshire's six administrative areas, thereby enabling simpler transference of messaging at a time of greatest need.
  - Delivery of two small grants programmes, distributing £69,000 to aid groups and organisations deliver their services to meet the increased demands for their services.
  - Production of a range of guidance notes for the newly forming mutual aid organisations that covered governance, volunteering, GDPR, and Disclosure & PVG issues amongst others.
  - Attended significantly more forums where the interests of communities and the wider third sector were discussed, advocating for the deeper inclusion of the sector in decision making that directly affected the people who receive services from the sector.
- AVA has continued to deliver a volunteer matching service that is designed to further support the building of a volunteer workforce.
- AVA Development Officers are geographically spread across the region to provide advice, guidance and support to local community and voluntary sector organisations with respect to obtaining charitable status, developing constitutions, business planning and funding. They also actively promote and support the development of volunteering in Aberdeenshire.
- AVA supports the development of skills and knowledge within Third Sector Organisations with a move to an online training resource. The content of the programme is devised following consultation with the sector.
- AVA attends and participates in Community Planning Partnership meetings across the region. AVA represents the Third Sector perspective with the purpose of informing and influencing the development of public policy.
- Regular newsletters and e-bulletins are distributed to public, private and Third Sector partners across Aberdeenshire. These information updates are recognised as an excellent resource and information source for organisations.
- AVA facilitates a range of forums with the purpose of sharing knowledge and best practice.
- AVA represents the Third Sector within the Aberdeenshire Health and Social Care Partnership including at board level.

**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.

**Directors' report (continued)**

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**Volunteers**

Magpie has continued to operate with the valuable contribution that has been made by a loyal group of volunteers. Significant risk assessment was undertaken prior to reopening in July 2020 to enable volunteers to return, and for many it was an opportunity to engage with people again. Between July and December, 22 volunteers supported Magpie in various ways, and we have been fortunate enough to have retained many of them into the new financial year.

**Future plans**

AVA is committed to supporting the growth and development of strong, sustainable and collaborative community, voluntary, and third sectors in Aberdeenshire; a sector with a powerful collective voice that has the confidence and capability to inform and influence better policymaking. A key part of this will be actively engaging and consulting with our members, stakeholders, and partners, to better define and communicate the TSI's function, and our key role in enabling and facilitating the sector's role in the delivery of strategic outcomes. To practically achieve this, AVA has developed an overarching annual workplan which sets out the detailed activities, and related KPIs, that will contribute to the effective delivery of the organisation's stated objectives.

The pandemic made AVA look very closely at two significant elements of our activities. Implementation of both of these changes started in April 2021 and will be reported on in the next financial year:

- Our operating model. The main purpose of doing this was to enable us to deliver more for the community, voluntary, and third sectors that we support, connect, and promote. We made the decision to move AVA Development Officers to working in specialist roles and took a considerable amount of time to develop the working model.
- Our data collection, recording, reporting, and evaluation process. We invested in a data reporting platform that will enable us to be more intelligent about how we support, connect and promote the community, voluntary and third sectors.

**Financial review**

The results for the year and financial position of the company are shown on pages 13 and 14. The company is reporting a surplus for the year of £137,316 (2020 – £39,339).

The financial year 2021/22 management accounts project a positive result and a corresponding increase in unrestricted reserves.

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. We will continue to seek a balanced portfolio of funding arrangements. The potential of a revised Magpie structure to develop an annual surplus is also beneficial and will continue to be monitored closely as we emerge from the pandemic.

**Covid-19**

Like many organisations, this year has seen some significant changes for AVA.

AVA has acted in a virtual capacity since 23<sup>rd</sup> March 2020. Our staff team have acted professionally in all of their responsibilities to ensure that our services are delivered, and they have adapted well to a very different way of working. Our team delivered a full programme of work in line with the expectations of the TSI grant from the Scottish Government, ensuring that all requests for support, advice and guidance were responded to in a timely manner, whilst themselves adapting to a fully remote engagement model.



**Directors' report (continued)**

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**Covid-19 (continued)**

The pandemic saw AVA included in many more conversations at a higher level than ever before, including Grampian-level resilience meetings, resulting in improved information flow for the sector, and greater opportunity to influence decision making that affects the sector. AVA has at every opportunity sought to promote the role that the sector played in delivering services for people at a basic human level that connected more people who may otherwise have been isolated and has at every opportunity sought to offer learnings that can be applied to the way that public services are designed and delivered in the future.

The pandemic also afforded AVA the opportunity to become a community anchor organisation, securing funds from the National Lottery and Foundation Scotland to distribute money in support of local organisations responding to local needs.

The Grampian network of TSIs (including AVA) was invited into high level conversations with the Grampian Coronavirus Assistance Hub and the Grampian Local Resilience Partnership Working Group to ensure that the community and volunteer perspective was considered as The Hub evolved to provide the support required during this period. As the Hub evolved, so did our relationship with it, through to the development of the vaccination rollout process where volunteers were to play a crucial part.

The north network of TSIs (including AVA) has been able to lobby through many different channels for consideration of the differing needs of remote and rural communities, and for the community, voluntary, and third sector organisations that support them to be considered in decision making. The network has achieved a level of collaboration on such issues that hasn't been seen before since the formation of the TSI Scotland network.

AVA's place within the national TSI network was invaluable in ensuring that Aberdeenshire's local third sector perspective was delivered in the numerous fora related to national and regional resilience, and in the numerous community response related discussions that took place. Collectively, the TSI network has been able to promote the role of the community, voluntary, and third sectors in delivering necessary services at many different levels within Scotland's public sector, and it has also been able to advocate for a better, more secure funding framework for the sectors.

**Reserves policy**

The directors have agreed our goal is to maintain at least a minimum of three 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 surpassed the figure required to secure its reserves policy (a full year ahead of schedule). Through the annual budgeting process, the three 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 insist on 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.

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**Directors' report (continued)**

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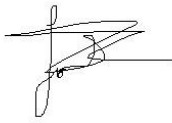
**Auditors**

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 18 October 2021 and signed on its behalf by:



**FPJ Smith**  
Director

**Aberdeenshire Voluntary Action  
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**Statement of directors' responsibilities**

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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.

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

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**Opinion**

We have audited the financial statements of the Aberdeenshire Voluntary Action (the 'company') for the period ended 31 March 2021 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 2021 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.

**Aberdeenshire Voluntary Action  
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**Independent auditors report to the directors and members of the Aberdeenshire Voluntary Action (continued)**

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**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 specific procedure for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

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**Independent auditors report to the directors and members of the Aberdeenshire Voluntary Action (continued)**

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- enquiring 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; and,
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

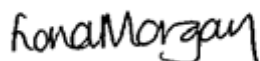
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; GDPR; employment law (including the Working Time Directive); and compliance with the UK Companies Act, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts Regulations 2006.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planning 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.



**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

27 October 2021

**Aberdeenshire Voluntary Action**  
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**Statement of financial activities for the year ended 31 March 2021**

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
<b>Income:</b>							
Donations and grants	3	332,784	2,760	335,544	316,800	-	316,800
Income from charitable activities	4	115,780	228,378	344,158	129,662	98,964	228,626
Income from other trading activities	5	53,735	-	53,735	165,354	-	165,354
Other income	6	3,967	-	3,967	3,339	-	3,339
<b>Total</b>		<b>506,266</b>	<b>231,138</b>	<b>737,404</b>	<b>615,155</b>	<b>98,964</b>	<b>714,119</b>
<b>Expenditure:</b>							
Raising funds	7	123,459	-	123,459	162,492	-	162,492
Charitable activities	7	244,323	231,895	476,218	396,660	116,601	513,261
<b>Total</b>		<b>367,782</b>	<b>231,895</b>	<b>599,677</b>	<b>559,152</b>	<b>116,601</b>	<b>675,753</b>
<b>Net income/(expenditure)</b>		<b>138,484</b>	<b>(757)</b>	<b>137,727</b>	<b>56,003</b>	<b>(17,637)</b>	<b>38,366</b>
<b>Transfers between funds</b>	16	-	-	-	(28)	28	-
<b>Net movement in funds before recognised losses</b>		<b>138,484</b>	<b>(757)</b>	<b>137,727</b>	<b>55,975</b>	<b>(17,609)</b>	<b>38,366</b>
<b>Other recognised losses</b>							
Actuarial (loss)/gains on defined benefit schemes	19	(1,111)	-	(1,111)	973	-	973
<b>Net movement in funds</b>		<b>137,373</b>	<b>(757)</b>	<b>136,616</b>	<b>56,948</b>	<b>(17,609)</b>	<b>39,339</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	16	101,445	2,606	104,051	44,497	20,215	64,712
<b>Total funds carried forward</b>	16	<b>238,818</b>	<b>1,849</b>	<b>240,667</b>	<b>101,445</b>	<b>2,606</b>	<b>104,051</b>

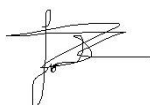
**Aberdeenshire Voluntary Action  
(A company limited by guarantee)**

**Balance sheet at 31 March 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	<b>10,587</b>	3,842
<b>Current assets</b>			
Debtors	13	<b>14,978</b>	11,061
Cash at bank and in hand		<b>310,978</b>	149,383
		<b>325,956</b>	160,444
<b>Creditors</b>			
Amounts falling due within one year	14	<b>(71,183)</b>	(33,123)
<b>Net current assets</b>		<b>254,773</b>	127,321
<b>Total assets less current liabilities</b>		<b>265,360</b>	131,163
Pension scheme funding deficit	19	<b>(24,693)</b>	(27,112)
<b>Net assets after pension fund deficit</b>		<b>240,667</b> =====	104,051 =====
<b>Funds</b>			
<b>Unrestricted funds</b>			
General funds		<b>263,511</b>	128,557
Less pension scheme funding deficit		<b>(24,693)</b>	(27,112)
<b>Net unrestricted funds</b>	16	<b>238,818</b>	101,445
Restricted funds	16	<b>1,849</b>	2,606
<b>Members' funds</b>		<b>240,667</b> =====	104,051 =====

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 18 October 2021 and were signed on its behalf by:



**FPJ Smith**  
Director

Charity number SC014223

The notes on pages 16 to 32 form part of these financial statements.



**Aberdeenshire Voluntary Action  
(A company limited by guarantee)**

**Cash flow statement at 31 March 2021**

	Note	2021 £	2020 £
<b>Cash flows provided by operating activities:</b>			
Net cash provided by operating activities	21	172,211	35,656
<b>Cash flows (used by) / provided by investing activities:</b>			
Purchase of property, plant and equipment		(10,616)	-
Proceeds from disposal of fixed assets			1,135
		<u>(10,616)</u>	<u>1,135</u>
<b>Net cash used in investing activities</b>		<b>(10,616)</b>	<b>1,135</b>
Change in cash and cash equivalents in the reporting period		<b>161,595</b>	36,791
Cash and cash equivalents at 1 April 2020		<b>149,383</b>	112,592
		<u>310,978</u>	<u>149,383</u>
<b>Cash and cash equivalents at 31 March 2021</b>		<b>310,978</b>	<b>149,383</b>
		<b>=====</b>	<b>=====</b>
Being:			
Cash at bank and in hand		<b>310,978</b>	149,383
		<b>=====</b>	<b>=====</b>

**Notes to the financial statements**

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**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 57 Station Road, Ellon, Aberdeenshire, AB41 9AR.

**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 COVID 19 pandemic on the organisation but do consider that the charity is in a sound financial position and will be able to meet its commitments during 2021-22.

**Notes to the financial statements (continued)**

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**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.

**Notes to the financial statements (continued)**

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**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.

**Notes to the financial statements (continued)**

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**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.

**Aberdeenshire Voluntary Action**  
**(A company limited by guarantee)**

**Notes to the financial statements (continued)**

<b>3</b>	<b>Donations and grants</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Unrestricted</b>		
	Donations	<b>6,877</b>	-
	Scottish Government grant	<b>316,800</b>	316,800
	HMRC Coronavirus Job Retention Scheme	<b>9,107</b>	-
		<hr/>	<hr/>
		<b>332,784</b>	316,800
	<b>Restricted</b>		
	Donation in kind – capital grant	<b>2,760</b>	-
		<hr/>	<hr/>
		<b>335,544</b>	316,800
		<b>=====</b>	<b>=====</b>
<b>4</b>	<b>Income from charitable activities</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Unrestricted</b>		
	Grants	<b>102,800</b>	121,350
	Administration	<b>12,980</b>	8,312
		<hr/>	<hr/>
		<b>115,780</b>	129,662
	<b>Restricted</b>		
	Grants	<b>228,378</b>	98,964
		<hr/>	<hr/>
		<b>344,158</b>	228,626
		<b>=====</b>	<b>=====</b>
<b>5</b>	<b>Income from other trading activities</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Magpie income	<b>53,735</b>	165,354
		<hr/>	<hr/>
		<b>53,735</b>	165,354
		<b>=====</b>	<b>=====</b>
<b>6</b>	<b>Other income</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Rent receivable	<b>3,967</b>	2,710
	Other income	-	629
		<hr/>	<hr/>
		<b>3,967</b>	3,339
		<b>=====</b>	<b>=====</b>

**Aberdeenshire Voluntary Action**  
(A company limited by guarantee)

**Notes to the financial statements (continued)**

7	Expenditure	Cost of raising funds		Charitable activities		Support costs		2021 Total £	2020 £
		Unrestricted	Restricted	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
	Wages	64,373	-	151,473	155,805	-	-	371,651	403,394
	Social security	4,888	-	10,909	11,085	-	-	26,882	27,790
	Pension	3,644	-	7,308	7,538	-	-	18,490	20,066
	Staff travel & expenses	-	-	1,397	-	-	-	1,397	21,573
	Irrecoverable VAT	-	-	87	-	-	-	87	4,856
	Project costs	-	-	-	56,556	-	-	56,556	19,597
	Conferences / events	-	-	58	-	-	-	58	475
	Volunteer costs	-	-	-	-	-	-	-	1,037
	Rent	18,410	-	20,639	-	-	-	39,049	52,661
	Rates & water	4,933	-	1,635	-	-	-	6,568	6,202
	Light & heat	2,794	-	1,134	-	-	-	3,928	7,820
	Insurance	2,566	-	-	-	2,716	-	5,282	5,086
	Telephone	1,298	-	5,930	-	-	-	7,228	9,498
	Cleaning	-	-	-	-	84	-	84	1,446
	IT costs	3,648	-	18,482	-	-	-	22,130	19,091
	Repairs & renewals	1,527	-	460	-	-	-	1,987	8,096
	Motor expenses	6,549	-	-	-	-	-	6,549	8,814
	Postage & stationery	283	-	1,708	-	-	-	1,991	5,251
	Advertising	450	-	1,772	-	-	-	2,222	2,054
	Training costs	125	-	3,875	-	-	-	4,000	499
	Subscriptions	450	-	2,643	-	-	-	3,093	1,706
	Accountancy fees	212	-	-	-	731	-	943	7,399
	Legal & professional	720	-	135	-	231	-	1,086	16,948
	Sundries	-	-	-	-	536	-	536	1,778
	Bank charges	4,062	-	198	-	-	-	4,260	5,815
	Loss on disposal of fixed assets	-	-	104	-	-	-	104	3,396
	Depreciation	756	-	-	911	4,860	-	6,527	2,733
	Bad debts	-	-	-	-	-	-	-	165
	Pension deficit interest (note 19)	-	-	-	-	639	-	639	431
	Audit fees	1,771	-	-	-	4,579	-	6,350	9,000
	Board expenses	-	-	-	-	-	-	-	1,076
		<b>123,459</b>		<b>229,947</b>	<b>231,895</b>	<b>14,376</b>		<b>599,677</b>	<b>675,753</b>
		=====	=====	=====	=====	=====	=====	=====	=====

**Aberdeenshire Voluntary Action**  
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**Notes to the financial statements (continued)**

7	Expenditure (continued)	Cost of raising funds		Charitable activities		Support costs		2020 Total £
		Unrestricted	Restricted	Unrestricted £	Restricted £	Unrestricted £	Restricted £	
	2020							
	Wages	74,823	-	248,291	80,280	-	-	403,394
	Social security	5,391	-	16,861	5,538	-	-	27,790
	Pension	4,037	-	12,263	3,766	-	-	20,066
	Staff travel & expenses	-	-	14,516	7,057	-	-	21,573
	Irrecoverable VAT	-	-	4,856	-	-	-	4,856
	Project costs	-	-	-	19,597	-	-	19,597
	Conferences / events	-	-	335	140	-	-	475
	Volunteer costs	817	-	-	-	220	-	1,037
	Rent	27,532	-	25,129	-	-	-	52,661
	Rates & water	3,299	-	2,903	-	-	-	6,202
	Light & heat	4,602	-	3,218	-	-	-	7,820
	Insurance	2,524	-	-	-	2,562	-	5,086
	Telephone	-	-	9,498	-	-	-	9,498
	Cleaning	-	-	-	-	1,446	-	1,446
	IT costs	2,841	-	16,250	-	-	-	19,091
	Repairs & renewals	5,546	-	2,550	-	-	-	8,096
	Motor expenses	8,814	-	-	-	-	-	8,814
	Postage & stationery	546	-	4,705	-	-	-	5,251
	Advertising	1,433	-	560	61	-	-	2,054
	Training costs	-	-	499	-	-	-	499
	Subscriptions	550	-	1,156	-	-	-	1,706
	Accountancy fees	-	-	-	-	7,399	-	7,399
	Legal & professional	7,278	-	2,040	-	7,630	-	16,948
	Sundries	302	-	1,224	28	90	134	1,778
	Bank charges	5,383	-	432	-	-	-	5,815
	Loss on disposal of fixed assets	3,396	-	-	-	-	-	3,396
	Depreciation	929	-	-	-	1,804	-	2,733
	Bad debts	-	-	165	-	-	-	165
	Pension deficit interest (note 19)	-	-	-	-	431	-	431
	Audit fees	2,449	-	-	-	6,551	-	9,000
	Board expenses	-	-	-	-	1,076	-	1,076
		<u>162,492</u>	<u>-</u>	<u>367,451</u>	<u>116,467</u>	<u>29,209</u>	<u>134</u>	<u>675,753</u>
		=====	=====	=====	=====	=====	=====	=====



**Aberdeenshire Voluntary Action**  
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**Notes to the financial statements (continued)**

<b>8 Governance costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fees	<b>6,350</b>	9,000
Board meeting expenses	-	1,076
	<b>6,350</b>	<b>10,076</b>
	<b>=====</b>	<b>=====</b>

<b>9 Net income/(expenditure)</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) is stated after charging:		
Auditors' remuneration - audit	<b>6,350</b>	9,000
- non-audit fees	<b>943</b>	7,384
Depreciation - owned assets	<b>6,527</b>	2,733
Other operating leases	<b>39,050</b>	52,661
Loss on disposal of fixed assets	<b>104</b>	3,396
	<b>=====</b>	<b>=====</b>

**10 Directors' remuneration and key management**

There was no directors' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Directors' expenses**

During the year, expenses of £nil were claimed by directors for travel expenses (2020 - £1,076).

**Compensation of key management personnel**

Key management in post during the year received a total compensation of £97,147 (2020 - £92,731).

**11 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>371,651</b>	403,394
Social security costs	<b>26,882</b>	27,791
Other pension costs	<b>18,490</b>	20,066
	<b>417,022</b>	<b>451,251</b>
	<b>=====</b>	<b>=====</b>

The average monthly number of employees during the year was 16 (2020 – 18).

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

Notes to the financial statements (continued)

12 Tangible fixed assets

2021	Improvements to property £	Fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2020	10,075	60,806	-	27,690	98,571
Additions	-	-	-	13,376	13,376
Disposals	-	(264)	-	-	(264)
<b>At 31 March 2021</b>	<b>10,075</b>	<b>60,542</b>	<b>-</b>	<b>41,066</b>	<b>111,683</b>
<b>Depreciation</b>					
At 1 April 2020	9,229	58,745	-	26,755	94,729
Charge for year	507	832	-	5,188	6,527
Disposals	-	(160)	-	-	(160)
<b>At 31 March 2021</b>	<b>9,736</b>	<b>59,417</b>	<b>-</b>	<b>31,943</b>	<b>101,096</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>339</b>	<b>1,125</b>	<b>-</b>	<b>9,123</b>	<b>10,587</b>
At 31 March 2020	846	2,061	-	935	3,842
<b>2020</b>					
<b>Cost</b>					
At 1 April 2019	14,888	69,927	2,000	35,693	122,508
Additions	(4,813)	(9,121)	(2,000)	(8,003)	(23,937)
<b>At 31 March 2020</b>	<b>10,075</b>	<b>60,806</b>	<b>-</b>	<b>27,690</b>	<b>98,571</b>
<b>Depreciation</b>					
At 1 April 2019	11,792	65,035	1,605	32,970	111,402
Charge for year	447	498	-	1,788	2,733
	(3,010)	(6,788)	(1,605)	(8,003)	(19,406)
<b>At 31 March 2020</b>	<b>9,229</b>	<b>58,745</b>	<b>-</b>	<b>26,755</b>	<b>94,729</b>
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>846</b>	<b>2,061</b>	<b>-</b>	<b>935</b>	<b>3,842</b>
At 31 March 2019	3,096	4,892	395	2,723	11,106

**Aberdeenshire Voluntary Action**  
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**Notes to the financial statements (continued)**

<b>13 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>2,275</b>	2,296
Other debtors	<b>3,938</b>	620
VAT	<b>4,062</b>	3,220
Prepayments and accrued income	<b>4,703</b>	4,925
	<hr/>	<hr/>
	<b>14,978</b>	11,061
	<b>=====</b>	<b>=====</b>
<b>14 Creditors</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade creditors	<b>2,726</b>	3,317
Social security and other taxes	<b>273</b>	7,514
Accruals and deferred income (note 15)	<b>68,184</b>	22,292
	<hr/>	<hr/>
	<b>71,183</b>	33,123
	<b>=====</b>	<b>=====</b>
<b>15 Deferred income</b>	<b>£</b>	<b>£</b>
Opening balance	<b>1,978</b>	5,896
Released in year	<b>(1,978)</b>	(5,896)
Deferred in year	<b>49,655</b>	1,978
	<hr/>	<hr/>
<b>Closing balance</b>	<b>49,655</b>	1,978
	<b>=====</b>	<b>=====</b>

Deferred income relates to a grant received pre year end for a project which commenced post year end which had performance conditions attached.

**Aberdeenshire Voluntary Action  
(A company limited by guarantee)**

**Notes to the financial statements (continued)**

**16 Funds  
2021**

	<b>Brought forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer £</b>	<b>Gains/(losses) £</b>	<b>Closing balance £</b>
<b>Restricted</b>						
PoPP	<b>2,606</b>	930	(3,536)	-	-	-
Capital grant – Vodafone	-	2,760	(911)	-	-	<b>1,849</b>
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)	-	-	-
<b>Total restricted funds</b>	<b>2,606</b>	231,138	(231,895)	-	-	<b>1,849</b>
<b>Unrestricted funds</b>						
General	<b>101,445</b>	506,266	(367,782)	-	(1,111)	<b>238,818</b>
<b>Total unrestricted funds</b>	<b>101,445</b>	506,266	(367,782)	-	(1,111)	<b>238,818</b>
<b>Total funds</b>	<b>104,051</b>	737,404	(599,677)	-	(1,111)	<b>240,667</b>

**Aberdeenshire Voluntary Action  
(A company limited by guarantee)**

**Notes to the financial statements (continued)**

**16 Funds (Continued)  
2020**

	<b>Brought forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer £</b>	<b>Gains/(losses) £</b>	<b>Closing balance £</b>
<b>Restricted</b>						
Dementia Friendly Communities	<b>18,117</b>	-	(18,145)	28	-	-
PoPP	<b>2,098</b>	6,764	(6,256)	-	-	<b>2,606</b>
CHIP	-	92,200	(92,200)	-	-	-
<b>Total restricted funds</b>	<b>20,215</b>	98,964	(116,601)	28	-	<b>2,606</b>
<b>Unrestricted funds</b>						
General	<b>44,497</b>	615,155	(559,152)	(28)	973	<b>101,445</b>
<b>Total unrestricted funds</b>	<b>44,497</b>	615,155	(559,152)	(28)	973	<b>101,445</b>
<b>Total funds</b>	<b>64,712</b>	714,119	(675,753)	-	973	<b>104,051</b>

**Notes to the financial statements (continued)**

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**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.

**Projects ceased during the year to 31 March 2021**

**Dementia Friendly Aberdeenshire**

Funded by the Aberdeenshire Health & Social Care Integration fund and supported by a multi-agency steering group, this project aims to develop and promote Dementia Friendly Communities.

AVA employs a team of Dementia Friendly Development Officers to engage with community group leaders, businesses and service providers to encourage them to learn about dementia and make small changes to practice and environments that can make an enormous difference to people living with the condition.

**Community Health in Partnership (CHiP)**

The CHiP project is funded by the Aberdeenshire Health & Social Care Integration fund with the aim of improving health by supporting improved understanding and working relationships between Health & Social Care professionals and Third Sector organisations.

AVA employs a team of CHiP Development Officers who work throughout Aberdeenshire to develop strong and sustainable relations and to support the Third Sector to better influence and inform service design, commissioning and delivery.

**Notes to the financial statements (continued)**

**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:

	<b>2021</b>	2020
	£	£
Expiring:		
Within one year	<b>41,300</b>	41,300
Between one and five years	<b>78,208</b>	119,050
	<hr/>	<hr/>
	<b>119,508</b>	160,350
	=====	=====

**Lessor**

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

	<b>2021</b>	2020
	£	£
Expiring:		
Within one year	-	667
	<hr/>	<hr/>
	-	667
	=====	=====

**18 Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2021 Total Funds</b>
	£	£	£
Fixed assets	<b>8,738</b>	<b>1,849</b>	<b>10,587</b>
Cash at bank	<b>310,978</b>	-	<b>310,978</b>
Other net current liabilities	<b>(56,205)</b>	-	<b>(56,205)</b>
Pension liability	<b>(24,693)</b>	-	<b>(24,693)</b>
	<hr/>	<hr/>	<hr/>
	<b>238,818</b>	<b>1,849</b>	<b>240,667</b>
	=====	=====	=====
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2020 Total Funds</b>
	£	£	£
Fixed assets	3,842	-	3,842
Cash at bank	146,777	2,606	149,383
Other net current liabilities	(22,062)	-	(22,062)
Pension liability	(27,112)	-	(27,112)
	<hr/>	<hr/>	<hr/>
	101,445	2,606	104,051
	=====	=====	=====

**19 Pension commitments**

The company participates in the scheme The Pensions 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 “last man standing arrangement”. Therefore the company is potentially liable for other participating employers’ obligation if those employers are unable to meet their share of the scheme deficit on an annuity purchase base on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

From 1 April 2021 to 31 October 2026 £1.5m per annum (payable monthly and increasing 3% each year on 1 April).

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

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

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 reducing contribution 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.



**Notes to the financial statements (continued)**

**19 Pension commitments (continued)**

	<b>2021</b>	2020	
	£	£	
Present valuation or provision			
<b>Reconciliation of opening and closing provision</b>			
Provision at 1 April 2020	<b>27,112</b>	31,701	
Unwinding of the discount factor (interest expense)	<b>639</b>	431	
Deficit contribution paid	<b>(4,169)</b>	(4,047)	
Remeasurements - impact of any change in assumptions	<b>1,111</b>	(973)	
	<hr/>	<hr/>	
<b>Provision at 31 March 2021</b>	<b>24,693</b>	27,112	
	<b>=====</b>	<b>=====</b>	
	£	£	
Income and expenditure impact			
Interest expense	<b>639</b>	431	
Remeasurements - impact of any changes in assumptions	<b>1,111</b>	(973)	
	<b>=====</b>	<b>=====</b>	
<b>Assumptions</b>			
	<b>31 March</b>	31 March	31 March
	<b>2021</b>	2020	2019
	<b>% per</b>	<b>% per</b>	<b>% per</b>
	<b>annum</b>	<b>annum</b>	<b>annum</b>
Rate of discount	<b>0.86</b>	2.57	1.46
	<b>=====</b>	<b>=====</b>	<b>=====</b>

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 £nil (2020 - £261) from the Marr Area Partnership, a business with a director/proprietor in common. Marr Area also had a debtor balance of £nil (2020 - £50).

The charitable company paid £nil (2020 - £2,040) to Delfinity Limited who have a director in common. There were no outstanding balances at the year end.

**Aberdeenshire Voluntary Action**  
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**Notes to the financial statements (continued)**

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

	<b>2021</b>	2020
	<b>£</b>	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>136,616</b>	39,339
Adjustments for:		
Depreciation charges	<b>6,527</b>	2,733
Loss on fixed asset disposal	<b>104</b>	3,396
(Increase)/Decrease in debtors	<b>(3,917)</b>	888
Increase/(Decrease) in creditors	<b>38,060</b>	(6,111)
FRS 102 pension movement	<b>(2,419)</b>	(4,589)
Donations in kind	<b>(2,760)</b>	-
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>172,211</b>	35,656
	<b>=====</b>	<b>=====</b>

**22 Control**

The company is controlled by the directors.