

Charity Registration No. SC012950 (Scotland)

Company Registration No. SC018487 (Scotland)

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE
(OPERATING AS VSA)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Wilson (Chair of Trustees) G Edwards (Treasurer) S Burt M Gibson J Harper S Heys J Knowles A McBurnie P Murray G Poon A Powe K Shand D Watson G Watt C Wilkie
Secretary	K Simpson (Chief Executive)
Charity number (Scotland)	SC012950
Company number	SC018487
Operating name	VSA
Registered office	38 Castle Street Aberdeen AB11 5YU
Auditor	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL
Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN
Solicitors	Burness Paull LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ
Investment advisors	Aberdeen Standard Capital 1 George Street Edinburgh EH2 2LL
Internal auditors	Anderson Anderson & Brown LLP Kingswell View Prime Four Business Park Aberdeen AB15 8PU

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**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS
VSA)
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees are pleased to present their report including a strategic report together with the audited financial statements for the year to 31 March 2022.

Directors and Trustees

The Directors of Aberdeen Association of Social Service "operating as VSA" (the charity), are its Trustees for the purpose of charity law and throughout this Trustees' Report are collectively referred to as the Trustees.

The Trustees of Aberdeen Association of Social Service who were in office during the year and up to the date of signing the Financial Statements were:

M Wilson	Chair of Trustees
G Edwards	Treasurer
S Burt	
L Fenn	(Resigned November 2021)
M Gibson	
J Harper	(Appointed November 2021)
S Heys	
J Knowles	
A McBurnie	
P Murray	
H Ouston	(Resigned November 2021)
G Poon	
A Powe	
K Shand	
K Sinclair	(Resigned November 2021)
D Watson	
G Watt	
C Wilkie	

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Key Management Personnel (Executive Management Team) at 31 March 2022

K Simpson	Chief Executive & Company Secretary
J Booth	Chief Operating Officer
A Corbin	Chief Financial Officer
J Ewen	Director of Adult and Community Services
A Garden	Director of Children & Family Services
J Mitchell	Director of External Relations
C Nicholson	Director of Human Resources, Learning & Development

Objectives and Activities

The objectives of the charity are:

- To provide for the general welfare of children, families, adults, older people, disabled people and people in need who are partially or wholly unable to provide for themselves.
- To act in co-operation with the statutory authorities and other organisations, voluntary or otherwise, engaged in the furtherance of general welfare.
- To establish, take over or administer, either alone or along with others, charitable funds or agencies, either as Trustees or in any other capacity.
- To establish and operate agencies or bureau for the purpose of giving advice or assistance on problems of a monetary and/or social nature, to those in need.
- To provide facilities for training in social service and for advancing the interest of the public in social work.

The main objectives and activities for the year continued to focus on providing a high level of care to existing service users whether they be children, families, adults or older people. The Trustees have had specific regard to the Charity Commission guidance on public benefit in section 4 of the Charities Act 2006 and the Scottish Charity Code of Governance.

Mission

The charity's mission is to provide the best of care and support to enable our community to fulfil its potential.

Structure, Governance and Management

Governing Document

Aberdeen Association of Social Service, operating as VSA, is a charitable private company limited by guarantee and governed by its Memorandum and Articles of Association as amended on 31 October 2019. It is a registered charity with the Office of the Scottish Charity Regulator (OSCR).

Recruitment and Appointment of Trustees

The Board of Trustees aims to be a clearly identifiable body with the right balance of skills and experience to govern VSA effectively. Each Trustee has an individual, as well as collective, responsibility for exercising general control and management over the administration of VSA. The Board of Trustees directs the affairs of VSA and ensures that it is well run, delivers on its charitable objectives for the benefit of the public and remains solvent at all times. The Board of Trustees understands its responsibilities and ensures it has systems in place to deliver them effectively. This includes the identification of the broad skills, knowledge and experience required for the effective direction of VSA. The recruitment, selection and rotation of Trustees are based on the mix of skills, knowledge and experience that individuals have to offer, bringing diversity to the Trustee body. All potential Trustees are interviewed by a group of nominated Trustees before being recommended to

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the Board for approval.

The Board of Trustees is comprised of members who are elected as individuals. Members of the Board are elected at the Annual General Meeting, normally for a period of three years and for two terms of office. Usually one-third of current Board members retires each year, and are eligible for re-election, usually for no more than three terms of office. Members can be co-opted to the Board as vacancies arise and may be nominated for election at the next Annual General Meeting. There should be no less than ten and no more than eighteen members on the Board.

Trustee Remuneration and Insurances

VSA follows the OSCR regulations and guidance on Trustee Remuneration and no Trustees will be remunerated from the charity's assets unless there are exceptional circumstances that arise which comply with the OSCR regulations and guidance. There were no Trustee remuneration payments and no payments for expenses to the Trustees in the reporting year.

During the year qualifying third party indemnity insurance was in place to indemnify the Trustees against the consequences of any neglect or defaults.

Trustee Induction and Training Programmes

New Trustees are provided with a copy of the Memorandum and Articles of Association and a pack of other documents (such as Financial Regulations) that describe the role, functions and operations of the Board, Committees and Sub Committees. New Trustees are also provided with, and briefed, on a document explaining the role of Board members as Company and Charity Trustees. The documents, which are now available on the VSA website, explain Board Members' legal obligations under charity and company law. There is a regular and varied programme of Trustee induction and training in place. During the financial year regular training sessions were also undertaken with a particular focus on:-

- An in-depth review of the charity's Memorandum and Articles of Association
- Regular programme of site visits to gain further understanding of the work of the charity.
- Regulatory compliance workshops (Care Inspectorate).
- Good Governance and the Scottish Governance Code workshop.
- Reviewing the external perspective and wider context within which VSA operates (Bridge to the Future strategic document)

Organisational Structure

The Board of Trustees meets quarterly to deal with normal business and although the Company Secretary sits on the Board he has no voting rights. The governance and management structure of the charity is such that there is a Services Committee and a Corporate Resources Committee. There is also an Audit & Risk Committee. In addition, there is a Business Systems Group chaired by a Trustee. These Committees meet regularly to monitor the work and performance of the charity and to develop new policies and initiatives as appropriate and make recommendations to the Board of Trustees. An Executive Committee can be called to act on behalf of the Board as required.

Dr K Simpson, as Chief Executive, is appointed by the Trustees to manage the operations of the charity. A scheme of delegated authority, approved by the Trustees, is in place to facilitate effective operations. The Chief Executive is supported by the Executive Management Team consisting of a Deputy Chief Executive and six Directors.

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Strategic Report

The descriptions under the headings "Principal Risks and Uncertainties", "Reports from Services" and "Financial Review" meet the company law requirements for the Trustees, in their role as company Trustees, to provide a strategic report.

Principal Risks and Uncertainties

COVID-19

The pandemic continued to cause serious disruption to our services during 2021/22. Winter pressures were exacerbated by the Omicron variant with staffing shortages being the greatest challenge to overcome. VSA invested in recruitment and retention initiatives as well as securing agency staff to help mitigate against potential shortfalls. The UK-wide availability of a vaccine booster brought optimism and the latter end of the financial year saw a return to normal working practices.

Our priority during this recovery phase is to continue protecting the health, safety and wellbeing of all those who deliver, receive and support our services. Wherever possible we have been refurbishing our facilities to maximise infection control and reduce the possibility of virus transmission. VSA continues to embrace management procedures which ensure we have robust systems of decision making and communication. In the short-term our focus continues to be the protection and support of staff and the protection and care of those who need and use our services. In the longer term, our attention is on ensuring our financial stability and sustainability.

Strategic Risk Management

Alongside Covid-19, principal risks and uncertainties that the charity faces have been identified and captured as part of its strategic risk management approach. Strategic risk management within the charity is the process of identifying significant risks and uncertainties, the occurrence of which would inhibit the smooth running, operational effectiveness and reputation of VSA. It involves assessing the likelihood and impact of their occurrence, determining the most effective methods of managing strategic risks or reducing them to an acceptable level. Strategic risk management also acts as a catalyst for improving strategic, operational and financial management, all of which are central to VSA delivering high quality services.

The Board of Trustees is ultimately responsible for the effectiveness of strategic risk management within VSA and ensuring there is a strong risk management culture with appropriate internal control systems and processes in place.

Strategic Risk Register Review – The Audit & Risk Sub Committee reviews the strategic risk register in detail on a regular basis to ensure it reflects the current internal and external environment within which VSA operates, and also takes account of all identified risks as well as control measures and further actions required. Each strategic risk is given a score in terms of its likelihood and impact on the charity if it occurred. The Audit & Risk Sub Committee identifies a strategic risk at each meeting for a more in-depth independent assessment of the effectiveness of the controls and risk mitigation measures, along with any further actions required. After scrutiny by the Audit & Risk Sub Committee the Strategic Risk Register is then presented to the Board for consideration and approval. The Audit & Risk Sub Committee also approved a Board Assurance Framework, a management tool which is the key source of evidence that links VSA's strategic objectives to the risks, controls and assurances contained in the Strategic Risk Register.

The Executive Management Team (EMT) – The EMT reviews on a regular basis the wide range of significant organisational risks and uncertainties, whilst regularly testing whether the internal controls framework is robust and effective. The internal controls framework is underpinned by robust systems, policies and procedures and the internal quality assurance framework to ensure that internal controls remain effective. If EMT considers that any emerging risks or uncertainties are strategically significant they will be escalated and included in the Strategic Risk Register. Reports presented to Trustees for

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consideration include a section on risk management, so that in agreeing any development, investment or change in service delivery, Trustees understand the level of risk and how it will be managed and monitored.

The principal strategic risks and uncertainties, along with control measures in place, are as follows

Principal Risks and Uncertainties	Risk Control Measures
Risk of infection at VSA establishments potentially leading to loss of life and/or lack of available staff to deliver services.	<ul style="list-style-type: none"> • Highest level of infection control processes in place • Robust risk assessments and contingency plans for suspected cases of infection. • Non acceptance of hospital discharges with positive test results • Adequate provision of PPE and effective guidance for its use. • Contract arrangements with temporary staffing agencies
Lack of sustained positive relationships with political leaders, funders and stakeholders potentially leading to reputational damage and loss of funding sources.	<ul style="list-style-type: none"> • External funding strategy in place • CRM system implemented, including donor relationship management • Regular meetings with local political leaders whilst maintaining a politically neutral stance. • Membership of joint boards, strategy groups, national organisations, etc. to ensure VSA's voice is heard and is involved in development of policy and strategy.
Inadequate financial control systems may lead to the production of poor quality financial information which leads to poor decision making.	<ul style="list-style-type: none"> • Regular review of internal financial control arrangements. • Structured internal audit programme. • Variance analysis procedures clearly identified. • Financial Regulations regularly reviewed. • Regular in-depth review of all income sources.
Lack of awareness of charity law/company law and OSCR regulations.	<ul style="list-style-type: none"> • Regular Board training and awareness sessions on charity law and regulatory framework in place. • Board induction and training programmes • Externally facilitated governance training workshops for Trustees and staff • Attendance at OSCR briefing sessions.
ICT systems compromised, including malicious use of social media, cyber-attacks, leading to a potential significant data protection breach, service failure or fraudulent activity.	<ul style="list-style-type: none"> • Business continuity and disaster recovery plans in place. 'Cyber Essentials' accreditation. • Robust data storage and back up arrangements in place. • Data protection policies and procedures in place. ICT acceptable use policy • Business Systems Group established

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Health & safety at work breach relating to staff member, contractor, environmental (farm) or customer/service user.	<ul style="list-style-type: none"> • Robust health & safety policies and procedures in place supported by workplace training. • Health & Safety risk assessment reviews. • Robust accident investigation arrangements
Breach of duty of care in keeping vulnerable beneficiaries, volunteers etc in a safe environment	<ul style="list-style-type: none"> • Safeguarding policies & procedures reviewed. • Robust PVG checks, as appropriate, in place for staff & volunteers. • Promotion of whistle blowing policy to all staff.
Significant breach of General Data Protection Regulation (GDPR) requirements	<ul style="list-style-type: none"> • Compliance Team established to ensure organisational compliance and effective management of data subject rights • Implementation of data privacy impact assessment procedures • External assessment review completed
Net Zero targets. Failure to reduce carbon footprint	<ul style="list-style-type: none"> • Carbon reduction policy • Carbon reduction strategy and reporting

Chief Executive's Statement

As we reflect on the challenges of the past two years we remember the times of worry and concern, yet we also celebrate our resilience and the ways in which we worked together. In VSA, we were more prepared than some others. By taking early action and focusing our resources, we have met the needs of service users, staff, and volunteers supporting their safety and wellbeing.

During 2021/22 VSA maintained our focus on delivering the 'Best of Lives' for those people who need and use our services, with our strategic and operational decisions being shaped by our consideration of resilience, continuity, and sustainability. Our key outcomes remain: delivering high quality services, financial stability, and promoting the VSA services, brand, and reputation.

VSA has a vision to support people in poverty and distress and a long history of innovation in meeting the changing needs of the communities we serve. Our staff have a wide range of skills and expertise and during the year they have once again applied these to address unmet need, responding to challenges in a real and practical way, working in partnership to achieve a positive and lasting change. Over the year there has been good progress on several projects which are instrumental in supporting our work and our aims. The developments in our 'Care at Home' services are innovative and envied by those in other areas of Scotland. VSA's contribution to this partnership has expanded and developed and we are now in a strong position to take this model further.

It was with great delight that we were able to open our new mental health facility at 450 Holburn St, and to accept our first residents in September 2021. This is a cornerstone of our exciting 'Changing Lives' campaign which set out to raise £2.2 million to build a purpose-built mental wellbeing facility in the heart of Aberdeen, supporting adults on their journey to recovery and re-integration. This new service has an associated community-based support at home service and is already providing vital support to

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people living with a range of mental health conditions, empowering them to take control of their lives through our highly regarded recovery model and specialised mental wellbeing support staff. It is a challenge to raise public funding for mental health services, and there was a complex model of funding to achieve this goal.

In November we were able to celebrate more than 150 years of delivering social care in Aberdeen and in March 2022 we opened an exhibition in the Art Gallery highlighting our heritage and the benefits we have brought across the generations.

However, there are challenges facing us. Recruitment and retention remains an issue. The social care workforce is a shrinking resource. Covid 19, Brexit and competition from the private and public sectors have created an extremely challenging environment for recruitment. VSA took measures to mitigate these risks ensuring we were resilient throughout the difficult winter period, however we, alongside the whole industry, need to do more to promote the career-path opportunities in social care, and the emotionally rewarding nature of the work. We must continue to promote VSA as the 'employer of choice' within the sector.

In February 2021, Scottish Government published a review of adult social care, to increase the ways in which society supports independent living. There is potential for this to create positive reform, however there are also risks with new financial models. It is anticipated that there will be increased priority given to models of care which provide care and support to people in their own homes and communities. VSA is already developing and delivering models that meet the needs of older people, people with a mental health diagnosis and in learning disability. These will be part of the continual development of our services in line with and in the shaping of our strategic direction.

Along with other local authorities, our main funder Aberdeen City Council, is facing budgetary challenges. We anticipate that funding discussions in 2022 / 2023 will be hard. The rising cost of fuel, other cost-of-living increases and inflation are beginning to surface and budgets will be very tight. However, we are confident that years of good financial control and budgetary management will stand us in good stead during a difficult period.

Section 172 Statement, Employee Engagement and Business Relationships

Aberdeen Association of Social Service trustees are Directors for the purposes of company law. The Directors are committed to acting in accordance with a set of general duties that are set out in section 172 of the Companies Act 2006. They act in a way that they consider, in good faith, would be most likely to promote the success of the charity for the benefits of its members as a whole, and in doing so have regard to the following factors:

The likely consequence of our decisions in the long term

Financial and operational sustainability is integral to our ability to deliver complex care to the vulnerable people in the community that the charity supports. The Directors focused attention on long-term financial planning, seeking to maximise the impact of our spending on adults and children that rely on our support. We will continue to evolve operational delivery of care, to respond effectively to the changing landscape in social care following the pandemic and the creation of a National Care Service. At the centre of our priorities is to build resilience, continuity, and sustainability in such a volatile and unpredictable socio-economic and political era. This has been demonstrated in our investment in the development of our non-residential care at home services, expanding our reach from the city of Aberdeen into Aberdeenshire.

The interests of employees

As a recognised Investors In People Platinum award organisation, the charity clearly demonstrates the value and importance it places on its people. The continuing ability to attract, motivate and retain the best staff and volunteers is fundamental to enabling the strategy. The pandemic has been an extremely difficult period for everyone across the organisation, putting pressure on both organisational and

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individual resilience. The charity's focus is always on protecting our people. Numerous pro-active actions were taken to ensure our staff remained supported through the pandemic, with a key focus on employee wellbeing. Our staff now face additional pressures around the cost-of-living crisis and the charity will look to take steps necessary to support and retain our people.

Business relationships with key stakeholders, suppliers and customers.

Throughout the COVID19 pandemic there was an increased focus on the charity's relationship and stakeholder network. The charity had to work in close partnership with those who use our services, their families, those that purchase our services and our key suppliers. Such relationships have endured beyond the pandemic. The organisation is best placed to further respond to changing needs within our community, providing flexible models of care from our numerous sites that can adapt to the complex needs of those purchasing care. For example, interim, emergency and bariatric placements provide the local health and social care partnerships with a suite of accessible services that previously did not exist. This has helped in a significant way to reduce the pressure abounding in public services from delayed hospital discharge. The charity has also worked closely with its suppliers to maintain its supply chain through such challenges created by the pandemic, Brexit and inflationary pressures.

Impact on the community and the environment

VSA services are an integral part of the Northeast of Scotland community and economy, with a presence across the city and beyond. The charity is conscious of the environmental impact of our operations and the organisation remains committed to achieving its net zero ambitions by 2045. A carbon footprint audit is being undertaken to evaluate and set realistic and achievable targets that will be reported on in future annual reports.

High standards of business conduct

Our care and charitable activities rightly operate in a highly regulated environment. We are committed to maintaining the highest possible level of care by meeting and, where possible, exceeding expectations set by the Care Inspectorate. We also aspire to the highest standards of fundraising through our membership of the Scottish Fundraising Standards Panel, with all our fundraising staff abiding by the Institute of Fundraising's Codes of Conduct and Practice. We adhere to the requirements of the Lobbying (Scotland) Act 2016 in our relationships with elected members of the Scottish Parliament and other government officials.

The need to act fairly between members of the company

Our Board and its various Committees operate within clear terms of reference with reviews of Board effectiveness and a policy of Board rotation in place. Everything that we do, up to and including Board level, is underpinned by our values to provide the best of care to enable the best of lives. The Directors continuously review governance arrangements against both OSCR codes of practice and the Scottish Good Governance Code and attend regular trustee development workshops and training.

Reports from Services and Key Outcomes

VSA has been delivering services to the citizens of Aberdeen for 150 years and has a well established reputation for delivering a high standard of care that has been verified by external regulatory bodies to allow service users to live the best of lives. VSA's services are focused on four discrete service delivery groups: Children & Family Services, Adult & Community Services, Education & Learning Services, Carers & Supporting People Services; providing a wide range of community-based services to a diverse population. There are also reports on the work of the External Relations Team, volunteering within VSA, as well as the HR support and training services.

We support vulnerable children and adults who are living with a mental health diagnosis, complex additional learning and support needs, learning disabilities, addiction (drugs and alcohol), loneliness and isolation, living in extreme poverty and living with life-long conditions such as dementia and

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Parkinson's. Despite the tremendous challenges that a child or an adult can face, it is amazing to see that by providing proper support, care, experiences, and opportunities how much it can change a life.

Across all of the services we provide, we promote equality, inclusion, diversity, and support for BAME communities.

(1) Children and Family Services

As a leading social care charity, VSA continually supports and strengthens the future of children and families through a variety of services. Professionally trained staff and volunteers are inclusive and flexible in their practice, recognising and respecting diversity, changing needs and reducing inequalities.

School Based Counselling

The specialist Children and Families teams continued to provide school-based counselling for children within three of the city's Associate School Groups. The counselling support offered to children and young people remained in place throughout the pandemic with a gradual return to face to face sessions as restrictions were lifted within the school environments. In 2022 the Pupil Counselling service transferred to MHA who have a wider infrastructure to meet counselling professional standards.

Key Outcomes: During financial year 21/22 counsellors supported 293 children across 3 sites.

2) Adult and Community Services

These services strive to provide the best of care, while promoting independent living and social integration, ensuring the individuals accessing them have every opportunity to live the best of lives. The approach is always needs-led by placing the individual at the centre of what the charity does, assisting them in having every opportunity to lead fulfilling and meaningful lives.

Adult and Community Services fall under three main types:

- Services for older adults
- Mental wellbeing services
- Services for individuals with a learning disability

Services for Older Adults

VSA touches the lives of thousands of local older people every year. A range of flexible and adaptive services were offered throughout the year, including two residential Care Homes - Ruthrieston House and Crosby House and two Housing with Support/Care at Home services - Broomhill Park and Cloverfield Grove.

The residential care homes at Ruthrieston House and Crosby House were in high demand during the financial year, with a number of referrals waiting for placements.

Our interim project in partnership with the AHSCP began on the 1st of October 2019 with 4 interim flats at Cloverfield Grove and 1 at Broomhill Park. In March 2020 we were again approached by the Partnership and asked if we could support with surge beds due to the COVID Pandemic. We offered up the use of 11 total surge beds. To date this has been a very successful project with interim clients either being discharged home to their own tenancies following a period of support provided by our team or choosing to remain within the services and take a permanent tenancy with us.

Efforts by VSA and the Partnership has already led to significant improvements in reducing delayed discharge. In 2015, the city was the worst-performing area in Scotland – but it is now in the 'top 10' Scottish local authority areas. The Interim project was initially due to run until October 2020 and this was extended until March 31st 2022. Due to the success of this project the contract has been extended for the initial 5 interim beds until March 2023.

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In the summer of 2021, we were approached by the partnership and asked if we would consider a contract for a further two interim flats at Broomhill Park. These flats were to provide interim care for those requiring specialist bariatric equipment and assessment. VSA are the only provider to offer this type of interim support for patients on delayed discharge from hospital. We were happy to work with the partnership on this project and the contract commenced in December 2021 and runs until March 2023.

VSA @ Home

In March 2020 the Health and Social Care Partnership took the decision to recommission the delivery of care at home with a locality based, outcomes focused contract. VSA along with other local providers consisting of fellow charities and private organisations joined forces to submit a joint tender under a consortium – Granite Care Consortium (GCC). GCC were successful in being awarded the contract and are now the chosen care at home provider across all localities within Aberdeen City. Our own care at home service VSA @ Home was then transferred in to GCC.

VSA @ Home continues to evolve as we begin our second year of service delivery. We are currently providing 118 care packages per week to the most vulnerable people in our community in their own homes. At the time of writing we had also embarked on a recruitment drive to recruit staff in Aberdeenshire so that we can further develop our service in order to secure work in Aberdeenshire having successfully won a bid to be placed on the approved suppliers framework.

COVID-19 and our care homes

Although we are now two years into the pandemic our services continue to work extremely hard to keep people who use our services, our staff and visitors safe. This has not been without challenge and in particular the very infectious Omicron Variant brought some extra challenges.

The BA2 variant proved to be particularly infectious and we saw some positive cases amongst both service users and staff. We are however, pleased to report that no one became particularly unwell during this period and services managed to contain the virus to isolated areas. At time of writing older adult service users are due to receive their second booster in the coming weeks.

Our residents continue to be PCR tested every 10 weeks. Staff in care homes are still PCR tested weekly and LFT testing has recently reduced from every working day and has reverted back to twice weekly.

We were delighted that we could also welcome back families and friends to services to visit their loved ones. Visitors are still currently LFT testing prior to each visit and can only visit their loved ones in their rooms but we are expecting that this will change later on in the year and we can revert back to a more open visiting procedure.

Mental Wellbeing Services

VSA supported over 200 people during the year with a diagnosis of mental illness in Aberdeen City. Services varied depending on need, from outreach services delivered in the community, to residential care homes. All mental health services focus on supporting recovery and building resilience of people, not just on treating or managing symptoms. The mental health service includes three care homes for adults with enduring mental health issues, one housing support/care at home service, one rehabilitation unit and an outreach service.

We were delighted to open our new purpose built mental wellbeing care home at 450 Holburn Street in October 2021. Residents from Millbank moved into the new build and all are delighted with their new accommodation and are enjoying the much improved environment. At time of writing 17 of the 20 rooms have been allocated and we continue to receive referrals from both Aberdeen City and Aberdeenshire.

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Our Westerton Crescent service continues to be highly regarded. One senior care manager wrote "I have been speaking with the care manager and he has shared how well the placement seems to be going and that xxxxx has managed to get out to the shops (something he never managed in his previous placement). I also know that xxxxx himself has expressed to care manager that things are going better than he anticipated. I am over the moon!"

Services for Individuals with a Learning Disability

VSA continued its commitment in 2021/22 to ensuring a high standard of care for every individual accessing our services. Life, vocational, social and personal skills are developed in a safe way that is meaningful to the individual. VSA offers Housing Support and Care at Home for adults with learning disabilities, providing a person-centered approach to community care. Tenants are given support to maintain their own tenancies both at Craigton Grove and throughout Aberdeen City. Over the past year we have increased the people we support from 20 to 24. Late 2021 saw opportunities for day services to reopen and the staff team have been supporting tenants to return to their day placements which include Easter Anguston Farm.

Easter Anguston Farm

This is a working farm which continues to offer vocational training for adults with additional support needs. Service users can gain life skills along with skills in animal husbandry, horticulture, agriculture, catering and retail. In 2022 trainees were registered with the SQA and will be working towards Personal Achievement Awards.

Trainee placements at the farm were suspended during the pandemic but resumed in August with all making a full return by October 2021. In addition to welcoming the return of trainee placements the farm also returned to full time opening during the holiday periods hosting a range of themed events.

Key Outcomes: *Work will continue on the farm business development plan, with a focus on providing an additional 4 FTE placements and further plans for the farm shop and café. This will be reviewed on an annual basis.*

(3) Education and Learning Services

VSA has a proud history in the delivery of exceptional care and support for individuals with additional support needs. The education and learning service at the Linn Moor Campus continued to provide outcome driven care and education that is responsive to the individual needs and requirements of the children and young people in our care. The service specialised in providing a structured, nurturing and person-centred approach and was fully committed to a whole life philosophy, enabling children and young people to lead fulfilling lives, to maximise their potential and to access experiences and opportunities open to other young people in the community.

Linn Moor Residential School

Linn Moor Residential School has a proven track record in providing specialist residential care and education for children and young adults with autism as well as related conditions such as social and communication difficulties and learning disabilities. The residential provision consists of seven self-contained group homes, each accommodating between two and four residents. The campus provides for up to 21 residential/education placements and also offers a number of places for day pupils. In 2021/22, referring LA's maintained an interest in our Continuing Care provision making requests for an additional 2 placements. This provides our young people with opportunity to benefit from additional support from the education and care staff in readiness for their transition to an adult placement. VSA continued to provide the highest standards of accommodation across all the residential units, creating pleasant and comfortable environments for those within our care. The education delivery at Linn Moor school operated with a staff to pupil ratio of a minimum of 1:1. In line with the Curriculum for Excellence the children and young people were provided with a breadth of learning opportunities set out in their individualised timetables, with tasks appropriately challenging to take into account different ability levels and learning styles.

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Individual Support Plans (ISP) for each child are outcome focused and reflect GIRFEC well being indicators, SHANARRI. ISP's are reviewed through an ongoing process of assessment, planning and evaluation, identified specific life skills to develop or consolidate. These plans were produced in partnership with the young people, where possible, and also took into account the wishes and expectations of families and other relevant professionals.

Key Outcomes: *A total of 26 young people were supported during the financial year (across the full campus, LM & Rowanlea) with an additional day pupil attending school on a full-time basis.*

Rowanlea House & Cottage (Supporting Young People with the Transition to Adult Life)

The Rowanlea service, situated in the Linn Moor campus, provided an intensive housing support and care at Home service for young adults aged between 16 and 26 years. The residential provision was split over two separate units, Rowanlea House, the home to 3 young adults and Rowanlea Cottage, the home to 2 young adults. The aim throughout the year was to build and consolidate on the skills already developed during formal education and to enable our tenants to participate as fully as possible in all decisions relating to their lives. The model continues to be based on inclusion, promoting the integration of our tenants in their local and wider communities.

The service focused on providing outcome-based approach to support and develop young people across a broad range of life skills and the attainment of educational qualifications. This ethos was designed to encourage and empower the young adults to become as independent as possible within a supportive and stimulating environment.

Volunteering

When VSA was founded in 1870, it was established by a group of volunteers, and the contribution of volunteers across the organisation remains as essential to us today as it did in 1870.

Slowly over the course of 2021 and aligned with various Government restrictions, our dedicated Mercat Bookshop volunteers had a phased return and the re-opening of our popular bookshop located at Castlegate. Throughout the year, the bookshop had 35 volunteers who undertook approximately 3,840 hours of volunteering.

At Easter Anguston Farm, we were very thankful to individual volunteers, the Rotary, and many staff who volunteered their personal time to help get the farm in a position to start a phased re-opening. In total, across the year, the farm had 7 individual volunteers and 1 Rotary Group, who approximately undertook 1,190 hours of volunteering across the year.

In preparation for a major event associated with our 150th anniversary, our philanthropy and income generation team were exceptionally grateful to a team of 23 individual volunteers who, in total dedicated 485 hrs of their time in the lead up to the event and on the evening of the event.

The impact of the pandemic and rolling associated restrictions proved difficult to re-start our corporate micro-volunteering programme during the year. The vast majority of our strategic corporate partners were also still navigating the pandemic and the impact it continued to have on their individual business operations.

We were delighted that in March 2022, we were in a position to re-launch the corporate volunteering programme to our corporate strategic partners. Our aspirations over 2022/2023 are to fully rebuild this popular community and corporate engagement volunteering programme.

Aberdeen Cares- celebrating 150 years of VSA exhibition

Since 1870 Aberdeen Association of Social Service (VSA) has stood alongside the people of the city, offering care, support, and vital services to vulnerable people in our communities. Working collaboratively with Aberdeen Art Gallery and Curator Lynne Clark, we launched an exhibition at marking the 150th anniversary of VSA and exploring our role in the history of social care in Aberdeen. Our work in this was supported by the national Lottery Heritage Fund. The exhibition opened to the

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general public on the 12th of March. Prior to this, a civic reception was held by the Lord Provost's office on the 10th of March. A total of 110 guests joined us at the civic reception. We are grateful to the Lord Provost and Aberdeen City Council for hosting the event.

We gathered together 150 stories from archives across the city as inspiration for the exhibition's themes. Aberdeen Cares highlighted the impact of human kindness through poignant and inspirational personal stories, archival photography, documents, and objects associated with caregiving in Aberdeen. The exhibition's themes included our origins and early campaigns and the history of our Royal connections.

The exhibition ran from March until the 29th of May, and welcomed almost 40,000 visitors

Communications and Marketing

In 2021/22, our communications and marketing team played a crucial role in engaging with and keeping all our key stakeholders informed about VSA's work and the lives we change.

During the year, we communicated with a wide range of stakeholders, including service users and their associated relatives/emergency next of kin, employees, volunteers, local and national government, public health, and local and national media outlets.

Our work involved keeping all stakeholders informed about changes to our service provision and lobbying the Scottish Government for better support for the sector.

Key activities included:

- Digital marketing of fundraising events and products
- Keeping our employees informed of our pandemic response and associated infection control advice
- Liaising with relatives of the people in our care via the telephone, email, and letters to keep them informed and answer any questions they had
- New marketing brochures designed for our services
- Recruitment campaigns
- Three new case study videos
- Market and industry positioning of changes to our service provision

Across our social media and digital channels, we have seen an increase in supporters and website visits across the year:

Facebook: 12,200 an increase of 9%

Instagram: 1,177 an increase of 10%

Twitter: 3,181 and increase of 2%

Total Followers: 16,558

Number of website visits this year: 185,348 increase of 6.2%

Philanthropy and Income Generation

The work of VSA is supported and enhanced by the generosity of our all those who make donations or support us with their time. Legacy giving is a fundamental income stream and we are indebted to those people who have chosen to gift money. In 2021/2022 we received £735,957 in legacy income. This makes a vital difference to the quality of care we can offer. Legacy giving remains a priority and during 2022/ 2023 we will be working with local companies to demonstrate how a legacy to VSA benefits the most vulnerable in our community.

The past two years have been a challenging period for fundraising through events. However, with grateful thanks to our Patron, Her Majesty The Queen, in November we were able to hold our 150th-

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anniversary ball at Balmoral Castle. The evening was attended by 520 people. Special thanks go to our amazing sponsors, Apache, Balmoral Group, John Clark Motor Group, Lamborghini, Entier, Abridn, Diageo, Cask 88, and Nyetimber; and to all of the companies, including Arrowdawn, Finnies the Jeweller, Hamilton, and Inches, and many others, who gifted products and experiences. This was a truly celebratory occasion and raised funds to support the work of VSA.

Many other events were postponed or cancelled; however we are grateful to those who were in a position to support us virtually, and across the year with virtual runners taking part in the virtual London Marathon and the virtual Kiltwalk. As we emerge from the pandemic, a key focus continues to be developing engaging experiences and products which will encourage support across a diverse range of sources.

As always, and particularly when cash is tight, we appreciate the benefit of all the work that is carried out by volunteers and those goods and services donated free of charge. It is difficult to reflect the value of this in our annual accounts but we acknowledge the importance of every contribution.

Sustainable Income Growth

The external environment for fundraising is challenging. Inflation and cost of living pressures impact on voluntary fund-raising. The focus for many grants is child deprivation and poverty. This makes traditional asks for older people and mental health less favourable. However, there are opportunities. The key to most successful fundraising bids is in creating a compelling project. We have the means to do this and are working on systems and structures to present our case and to record and monitor the positive outcomes that we deliver. Despite the potentially bleak environment, our diaspora, the influx of new creative / green technologies, and our developing links with the Prince's Foundation offer VSA exciting possibilities for generating steady streams of voluntary income.

Throughout the year, and underpinning much of our work, we continue to develop relationships with wider media outlets across the region and the UK. We remain active and engaged with the Scottish and UK governments aiming to influence policy in relation to the health and social care sector.

HR Learning and Development

2022 continued to pose challenges based on the ongoing issues relating to the pandemic. However, the functional area continued to ensure that VSA benefitted from delivering the right people, in the right numbers and across the right services, and with the skills, knowledge and confidence to continue to provide the very best of care to our Service Users.

Recruitment – Recruitment has continued to be broadly an online activity, but work has been undertaken to refresh and add to the content on the website, offering applicants the opportunity to explore what it will mean to work with VSA. This includes: staff video testimonials, details of the benefits of working with VSA, Overview of our MA programme as well as training opportunities and an opportunity to find out more about our services. Additional enhancements to the underlying technology of the recruitment system have ensured that candidates have a smooth experience and can access both more information and the ability to apply, using as few "clicks" as possible.

Whilst we undoubtedly benefitted from individuals displaced from other industries at the height of lockdown, a number of these individuals have subsequently migrated back to their original roles as we have eased out of lockdown. Consequently, we have had to work harder and smarter to ensure a steady pipeline of candidates, making good use of social media and other advertising media, but also hosting and attending careers events to maintain the profile of VSA as an employer of choice.

We continue to lobby across government and relevant bodies to see our workers achieve the recognition and reward that they deserve.

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Learning & Development – Technology has continued to play a critical part in supporting our staff both to acquire new skills, but also, to refresh and demonstrate ongoing competence in their ability to apply knowledge effectively in their day to day care of our Service Users. Gradually, we have been able to return to delivery of Face to Face training, which offers staff the invaluable opportunity to meet colleagues from other services, sharing and comparing experiences, and building a network of contacts and support across the organisation.

Our Modern Apprenticeship programme continues to provide both formal qualification for staff, but given that it is a Vocational Qualification, this also ensures that staff have the competence and confidence to carry out their role effectively.

As a result of the diligence, skills and commitment from the team, we were awarded the Accolade of "Tremendous Learning & Development" winners at the March annual cHeRries awards, which recognises excellence and contribution in the HR, L&D space.

Staff Wellbeing - Our Strategic Wellbeing Programme has continued to roll out over the course of the year. With the benefit of an in house Occupational Health provision, VSA and our staff have continued to benefit from expert clinical insight and understanding of emerging COVID-19 Information, ensuring that we continued to have access to updated, current guidance and best practice to inform our operational practices. In addition, this allowed us to provide staff with ongoing reassurance and accurate information at a time of great personal anxiety.

In addition to this, by linking with our Trainers, we were able to develop e-learning content to ensure the speedy dissemination of information in relation to infection control and other critical COVID content, doing so in an engaging format and ensuring that we were able to evaluate and evidence learning. In line with our values, we shared much of the same information and learning with our volunteers and those citizens in our community with unpaid caring responsibilities.

Easing of restrictions have permitted the resumption of regular visibility of Occupational Health across all of our services and corporate headquarters, offering every member of staff a wellbeing review. This includes; pre completed lifestyle questionnaire, physical checks to include calculation of BMI .

Again, in recognition of the contribution made by our Occupational Health Function, we were finalists in the "Exceptional Wellbeing in the Workplace" category, at the March cHeRries awards.

Plans for Future Periods

As we (hopefully) move on from the pandemic crisis, we continue to be vigilant as we face the new challenges – a war in Europe, supply chain problems, rising costs of fuel and potential food shortages.

These are huge global concerns. We must be aware of them and take them into account however we also face more immediate challenges:

- Our attention to the detail of how we value, support and reward our staff;
- how we manage our budgets, being flexible to varying sources of income, and variations in expenditure; and
- being alert to and conscious of the change in the need or expectations of our service users.

This is how we build our resilience, focus on continuity, and ensure our sustainability.

VSA faces operational challenges as we manage new hybrid systems of working from home and implement new technological business systems solutions. We face demographic changes which are pushing towards different models of social care and systemic pressures as the most vulnerable in our communities face rising cost of living. And there is political uncertainty as we contemplate another referendum on Scottish independence.

Over the next year our focus will be on:

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- Addressing recruitment and retention: promoting the career-path opportunities in social care, and the emotionally rewarding nature of the work. And promoting VSA as the 'employer of choice' within the sector.
- Developing and delivering models of care that are flexible and responsive and which enable people to appropriately remain in their own homes and communities.
- Creating compelling stories to demonstrate the value of our work to individuals and communities; becoming better at recording positive outcomes and achievements.

Behind the scenes, we continue to enforce the highest standards of infection control. We support the wellbeing of every member of staff and every volunteer. We are implementing the new business systems which aid flexible working and support reliable and effective recording of operational processes.

Organisational Change

As we face a stringent financial period, VSA must ensure that we are maximising the amount of money which offers direct support to those who need our care. As in previous years we are looking to minimise our management overheads and to be effective and efficient on how we deliver our frontline services and our essential support functions.

Financial Review

Financial year 2021/22 was the seventh year of adoption of the Accounting Standard FRS 102 and the Charities Statement of Recommended Practice (SORP).

The financial results of the Charity show net income for the year of £(641,000) (2021: net income of £406,000) prior to revaluation of tangible fixed assets. This is further analysed as follows;

	£'000
Net Incoming Resources from charitable activities and trusts & endowments (before Depreciation and expenditure met from Designated Funds)	408
Deduct: Depreciation charged to unrestricted funds	(632)
Depreciation charged to revaluation reserve	(389)
Adjust for: Realised/Unrealised Gain on Investments	152
Adjust for: Capital Receipts restricted to offset future capital expenditure	(180)
Net deficit	(641)

A designated sum of £32,000 was brought forward from 2020/21 to cover the cost of planning and preparatory works in relation to the 150th anniversary celebrations. A sum of £32,000 was expended in the financial year with the balance of £nil carried forward to the 2022/23 financial year. An additional designated fund of £205,000 was brought forward to allocate to the cost of constructing our new facility at 450 Holburn St. A balance of £nil was carried forward to the 2022/23 financial year.

The movement in designated funds, within Unrestricted Funds, is detailed at Note 23 to the Financial Statements.

There was an adjustment for net gains or losses on investments. There was a realised gain on the sale of some investments during the financial year of £25,000 (2021: £346,000), plus an unrealised gain on the value of investments at 31 March 2022 of £127,000 (2021: £227,000 gain).

Capital expenditure incurred during the financial year was £532,000 compared to £1,542,000 expended in the previous financial year. Capital expenditure was incurred: £51,000 on Linn Moor Van, £420,000 on Abergeldie new build and £37,000 on furnishings, £6,000 Linn Moor heating controls

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upgrade and £18,000 on Richmondhill Asbestos clean up.

Reserves Policy

The charity aims to maintain an adequate level of available reserves to:-

- Provide protection against fluctuations in income from various sources so that existing services remain fully funded.
- Provide a source of funding for new services and capital expenditure programmes.
- Respond to unexpected high priority additional expenditure pressures.

The Trustees considered the following factors in determining an effective reserves policy.

- Evaluating the current and future financial environment, both internal and external, in which VSA is operating.
- Deciding on what is an appropriate measure of available reserves.
- Determining a target level of available reserves.

The financial environment in which VSA is operating. The Trustees considered the following factors, with a focus on the 2021/22 financial year.

- (1) The ongoing impact of COVID-19 on expected inflows and outgoings.
- (2) The certainty of future flows of budgeted income, including an assessment of whether service delivery contracts were due for renewal or renegotiation, along with an assessment of funding.
- (3) The potential for unbudgeted expenditure being incurred which cannot be offset, timeously, by reprioritising other areas of spend.
- (4) Future spending plans on large revenue and capital projects and how they are to be funded.
- (5) Policy on use of designated funds within unrestricted reserves.
- (6) The strength of the fundraising resource and fundraising strategies.
- (7) Assessment of the approach to strategic risk management.
- (8) Property asset management planning.

What is an appropriate measure of available reserves? During the financial year the Trustees confirmed that the measure of available reserves should remain as the level of investments plus cash held in the various bank accounts.

What is the target level of available reserves? Based on an assessment of the current financial environment the Trustees confirmed that the target level of reserves should remain as the equivalent to 6 months trading (operational) income.

As at 31 March 2022 the actual level of available reserves (investments plus bank balances) was £4,620k. The target level of available reserves, based on 6 months equivalent operational income (excluding legacies donations and COVID related funding) in 2021/22, was £9,124k. The actual level of reserves fell short of this target at 31 March 2022. The Trustees agreed to keep this under close review, whilst noting a net capital receipt from property transactions which concluded in May 2022, netting £1,250k.

The Trustees continued to review the financial environment on a biannual basis, which in turn informed the determination of the target level of reserves.

Going concern policy

The significant challenges posed by COVID-19 events and disruption are ongoing. However, the Trustees believe, after careful consideration of (1) the level of investments (2) review of future funding requirements and (3) cashflow projections, that the Charity has sufficient financial resilience to continue in operational existence for the foreseeable future and has assumed that there will be no

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changes to the regulatory framework or Government policy that will affect the Charity's viability. The Trustees therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Principal Funding Sources

The principal funding sources are currently by way of grants from Aberdeen City Council, both directly and via the Aberdeen City Health & Social Care Partnership, as well as income from board and residential charges. Some services such as Linn Moor School receive funding from local authorities throughout Scotland depending on the clients who make use of the service. Funding is also received from The Scottish Government as well as individual Trusts and Foundations. More detail on grants is given in Note 4 of the Financial Statements.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the Trustees have the power to make any investment for the benefit of the charity but not for the avoidance of tax. The Trustees, having regard to the charity's liquidity requirements, have a policy of keeping an appropriate level of funds available in interest bearing bank accounts to meet short-term operational needs. The remaining funds are held in a portfolio managed by the charity's appointed investment managers, Aberdeen Standard Capital.

The Aberdeen Standard Capital investment portfolio is managed on a discretionary, balanced basis. Dividend income received in 2021/22 was £91k (2020/21 £91k). The level of risk attached to VSA's portfolio was determined by the Trustees as 'medium'. The portfolio investment performance is measured against a composite benchmark index consisting of the following:

FTSE Govt All Stocks Index (15%), Corporate Sterling Bonds Non Gilts Index (10%), FTSE All Share Index (45%), FTSE World ex UK Index (25%), Cash - LIBID 1 month notice Index (5%). The only investment restriction agreed by the Trustees is that the fund is not to invest directly in the tobacco sector.

The market value of the combined portfolio as at 31 March 2022 was £3,154k (2021: £3,017k). There was a realised gain on the sale of some investments during the financial year of £25,000 (2021: £346,000), and an unrealised gain on the value of investments at 31 March 2022 of £127,000 (2021: £227,000 gain).

The overall investment performance of the combined portfolio was slightly ahead of its benchmark over both the rolling 3 and 5 year periods.

Remuneration Policy

VSA's remuneration policy is based on motivating staff to achieve the aims and objectives of the organisation, in line with its charitable aims and objectives.

As a people based organisation, VSA aims to provide a competitive remuneration package to attract, motivate and retain staff at all levels, recognising the local employment market conditions. The Board of Trustees previously appointed a Remuneration Group, which has been absorbed within the remit of the Audit & Risk Sub Committee that will advise Trustees on the remuneration policy for both senior personnel and staff at all other grades within the organisation. The Director of Human Resources, Learning & Development provides advice to the Trustees on the review and implementation of VSA's remuneration policies and practices.

The following methods are used to assist with decisions on employee remuneration;

- To monitor staff retention and recruitment to ensure VSA remains competitive.
- To conduct benchmarking exercises within the sector and local economy to ensure VSA is

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competitively placed.

- To consult local and national surveys relating to executive and management pay as well as staff at all levels.
- To seek legal and professional advice on remuneration to ensure VSA complies with equal pay and living wage requirements.
- To develop remuneration and benefits strategies which are budgeted and cost effective to retain key personnel (pensions' entitlements, allowances, holiday entitlements, home working arrangements, flexible working arrangements etc.)

The key focus for the charity in recent years has been to ensure that VSA pays frontline staff on or above the Scottish Living Wage. Despite uncertainties around funding levels VSA has been able to achieve this and also manage the knock-on effects relating to salary differentials for all grades across the organisation. Given the challenging local job market it is important that the charity remains competitive to attract quality staff to deliver high quality services to deliver the best of care and achieve the best of lives for the many people we support.

Disability Policy

VSA is an Equal Opportunities employer, seeking to employ a wide range of skills and talents to ensure a diverse and committed workforce. A comprehensive suite of policy and practice, in support of this, is contained in our Employee Handbook. VSA Continues to be a Gold Member of Investors In People. Our recruitment policy and practices comply with the "Safer Recruitment" Guidelines, a joint publication issued by the SSSC and CI. This is regularly audited during annual CI visits. Our equal opportunities policy extends to include access to our training and development opportunities, making this available for all. VSA continues to be committed to the Disability Confident scheme.

Sustainability Report

Summary of performance

VSA's key sustainability performance indicators are shown below.

<u>Energy Consumption</u>	<u>Consumption (kWh)</u>		<u>Tonnes CO2e</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gas	5,717,182	5,684,592	1,058	1,058
Electricity	1,618,013	1,600,542	344	373
Transport	58,298	24,855	14	6
Total	7,393,493	7,309,989	1,416	1,437

The total emissions for during the financial year was 1,416 tCO2e. This amounts to an intensity ratio of 3.7 tonnes CO2e per employee (2021 – 3.57 CO2e) based on full time equivalents employees totalling 383 (2021 - 403).

We continue to use tCO2/FTE (tonnes of CO2e per Full Time Equivalent) as the intensity ratio as ours is a people-based organisation. This intensity ratio will best reflect changes in operation and energy consumption over time.

The following methodologies have been used:

- The GHG Protocol Corporate Accounting and Reporting Standard.
- The 2013 UK Government Environmental Reporting Guidelines (updated March 2019).
- The 2021 UK Government's Conversion Factors for Company Reporting.
- The energy efficiency narrative methodology has been created based on energy management best practice.

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Carbon Reduction

It is our aim to ensure our environmental commitments become an integral part of our day-to-day activities, that we seek ways to continually improve our environmental impacts and operate in a responsible manner including reducing waste and making reductions in our carbon emissions from heat, power and travel.

Auditor

The auditors, Hall Morrice LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting of the charity.

The Trustees' Report was approved by the Board of Trustees.



K Shand (Chair of Trustees)

Trustee

8 September 2022

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the Directors of Aberdeen Association of Social Service (Operating as VSA) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

Opinion

We have audited the financial statements of Aberdeen Association of Social Service (Operating as VSA) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 incoming resources and application of resources, including its income and expenditure, for the year 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.

Basis for 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 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 trustees' 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 trustees 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 Trustees Report other than the financial statements and our auditor's report thereon. The Trustees 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 themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 Trustees' Report.

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

- adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the Trustees (who are also the Directors of the charitable company for the purposes of company 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 as detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

In identifying and assessing the risk of material misstatement due to non-compliance with laws and regulations we have

- Ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognize non-compliance with laws and regulations;
- Identified the laws and regulations applicable to the entity through discussions with directors and management and through our own knowledge of the sector;
- Focused on the specific laws and regulations we consider may have a direct effect on the financial statements, including the Charities SORP and the Companies Act 2006;
- Reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations;
- Made enquiries of management and inspected correspondence with the charity's regulator OSCR and legal correspondence;
- Ensured the engagement team remained alert to instances of non-compliance throughout the audit; and
- Reviewed minutes of meetings of those charged with governance.

In identifying and assessing the risk of material misstatement due to irregularities, including fraud and how it may occur, and the potential for management bias and the override of controls we have

- Obtained an understanding of the entity's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial disclosures and business risks that may result in risk of material misstatement;
- Obtained an understanding of the internal controls in place to mitigate risks of irregularities, including fraud;
- Vouched balances and reconciling items in key control account reconciliations to supporting documentation;
- Carried out detailed testing, on a sample basis, to verify the completeness, existence and accuracy of transactions and balances;
- Made enquiries of management as to where they consider there was a susceptibility to fraud, and their knowledge of any actual, suspected or alleged fraud;
- Tested journal entries to identify any unusual transactions;
- Performed analytical procedures to identify any significant or unusual transactions;
- Investigated the business rationale behind any significant or unusual transactions; and
- Evaluated the appropriateness of accounting policies and the reasonableness of accounting estimates.

We did not identify any matters relating to non-compliance with laws and Regulations, or relating to fraud.

Because of the inherent limitations of an audit, there is an unavoidable risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk of not detecting a material misstatement due to fraud is inherently more difficult than detecting those that result from error as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. Also, the further removed any non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Shonagh L. Fraser MA CA

Senior Statutory Auditor

For and on behalf of Hall Morrice LLP

Statutory Auditor

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<u>Income from:</u>					
Donations and legacies	3	587	588	1,175	1,218
Charitable activities	4	15,188	2,270	17,458	17,767
Other trading activities	5	700	-	700	4
Investments	6	91	-	91	92
Total income		<u>16,566</u>	<u>2,858</u>	<u>19,424</u>	<u>19,081</u>
<u>Expenditure on:</u>					
Raising funds	7	<u>1,022</u>	<u>-</u>	<u>1,022</u>	<u>235</u>
Charitable activities	8	<u>16,607</u>	<u>2,588</u>	<u>19,195</u>	<u>19,013</u>
Total resources expended		<u>17,629</u>	<u>2,588</u>	<u>20,217</u>	<u>19,248</u>
Net gains on investments	12	<u>152</u>	<u>-</u>	<u>152</u>	<u>573</u>
Net incoming/(outgoing) resources before transfers		(911)	270	(641)	406
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(911)	270	(641)	406
Revaluation of tangible fixed assets		-	-	-	-
Total funds brought forward		<u>36,783</u>	<u>1,865</u>	<u>38,648</u>	<u>38,242</u>
Total funds carried forward		<u>35,872</u>	<u>2,135</u>	<u>38,007</u>	<u>38,648</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	13	51	33
Tangible assets	14	32,559	33,632
Investments	15	3,154	3,017
		35,764	36,682
Current assets			
Stocks	16	-	-
Debtors	17	2,004	1,654
Cash at bank and in hand		1,466	1,973
		3,470	3,627
Creditors: amounts falling due within one year	18	(1,227)	(1,661)
Net current assets		2,243	1,966
Net assets		38,007	38,648
Income funds			
Restricted funds	22	2,135	1,865
Unrestricted funds			
Designated funds	23	1,600	238
Revaluation reserve	24	19,467	19,752
General unrestricted funds		14,805	16,793
		35,872	36,783
		38,007	38,648

The financial statements were approved by the Trustees and authorised for issue on 8 September



K Shand (Chair of Trustees)
Trustee



G Edwards (Treasurer)
Trustee

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
Cash flows from operating activities	Notes	£'000	£'000
Cash (absorbed)/generated by operations	26	(538)	607
Investing activities			
Purchase of intangible assets		(43)	-
Purchase of tangible fixed assets		(532)	(1,545)
Purchase of investments		(608)	(421)
Proceeds on disposal of tangible fixed assets		525	19
Proceeds on disposal of investments		623	1,442
Investment income		91	92
Net cash generated from / (used in) investing activities		56	(413)
Net cash generated from financing activities		(25)	25
Net increase in cash and cash equivalents		(507)	219
Cash and cash equivalents at beginning of year		1,973	1,754
Cash and cash equivalents at end of year		<u>1,466</u>	<u>1,973</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Aberdeen Association of Social Service (Operating as VSA) is a private charitable company limited by guarantee incorporated in Scotland (SC018487). The registered office is 38 Castle Street, Aberdeen, AB11 5YU.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties, and in accordance with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going concern

Although there are significant challenges posed by COVID-19 events and disruption, the Trustees believe, after careful consideration of (1) the level of investments (2) review of future funding requirements and (3) cashflow projections for the next 12 months, that the Charity has sufficient financial resilience to continue in operational existence for the foreseeable future and has assumed that there will be no changes to the regulatory framework or Government policy that will affect the Charity's viability. The Trustees therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Charitable funds

Unrestricted funds represent funds which are not committed and which can be used in accordance with VSA's charitable objects at the Trustees' discretion. Trustees also have the discretion to set aside part of the unrestricted funds for a particular purpose or commitment. By earmarking such funds in this way Trustees are creating a designated fund that remains within unrestricted funds.

Restricted funds represent funds earmarked either by the donor or by the terms of an appeal or legacy where they have to be expended on particular projects or service area e.g. Older Peoples Service or acquisition of fixed assets. Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with its restrictions.

Incoming resources

Income is recognised in the monthly period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is allocated directly to the relevant category on receipt. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donations and legacies are included when the charity is entitled to the funds, their receipt is probable and the amount receivable can be quantified.

Grants, including government grants, are recognised in the financial statements in the year in which the charity becomes entitled to their receipt or in the year in which receipt is probable and the value can be accurately measured.

Investment income is fully apportioned to unrestricted income.

All capital receipts are credited in full to incoming resources in the statement of financial activities (SOFA) in the year they become receivable.

All resources are recorded gross.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. This is recognised when there is a legal or constructive obligation to pay for expenditure. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and others are apportioned.

Costs of generating funds comprise those costs directly attributable to organising fundraising events, administering donations and legacies received, and in managing the charity shop and are allocated directly.

Charitable expenditure comprises those costs incurred by the charity in delivering activities and services for its service users. It includes both costs that can be allocated directly to such activities and indirect costs necessary to support them. These support costs are apportioned in ratio to the total overall support costs element.

No grants to individuals or families are made from VSA funds.

Governance costs include costs associated with meeting constitutional and statutory obligations of the charity and include audit and legal fees and costs linked to the strategic management of the charity and are allocated directly as part of support costs.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets represent ICT assets which are not physical in nature, such as software licences and developments costs. Individual and enhanced intangible assets expenditure costing £10,000 or more, are capitalised in the balance sheet at cost.

Amortisation is provided in the year in which the intangible assets are brought into use and is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years
----------	---------

Tangible fixed assets

Tangible fixed assets are initially measured at cost. Freehold land and buildings are subsequently measured at valuation on the basis of fair value as defined within FRS 102, net of depreciation; all other assets continue to be recorded on the basis of historic cost.

Valuations are instructed every three years. Changes in valuation are processed through the revaluation reserve unless they result in a cumulative loss in which case changes are processed through the SOFA in the year of revaluation.

Individual tangible assets and subsequent enhanced tangible asset expenditure costing £15,000 or more are capitalised in the balance sheet at cost. Land and assets under construction are not depreciated.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Depreciation is provided in the year in which the tangible assets are brought into use and is recognised in order to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10-50 years
Fixtures and fittings	5-10 years
Computers	5 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

A valuation of farm stocks was carried out at the financial year end. Stocks are stated in accordance with this valuation, which is at the lower of cost or net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The charity contributes to three pension schemes, The Pensions Trust, Scottish Teachers Superannuation Scheme and National Employment Savings Trust (NEST).

Within the Pensions Trust there is an Ethical Plan and a Flexible Retirement Plan which are both defined contribution schemes. Prior to January 2009 the charity contributed to Growth Plan Series 3 within the Pensions Trust, which was set up as a defined contribution scheme but the Pension Regulator re-assessed the Growth Plan Series 3 scheme as a defined benefit scheme and as a consequence it was renamed as Growth Plan Series 4. At 1st October 2013 the charity moved all members of the Growth Plan Series 4 to the Flexible Retirement Plan. The charity intends to continue to operate the Flexible Retirement Plan for all existing members and selected future employees.

Scottish Teachers Superannuation Scheme is a defined benefit scheme, but as VSA's share of the underlying assets and liabilities cannot be identified the contributions to the scheme, as advised by the Scottish Office Pension Agency, are accounted for as if it were a defined contribution scheme and are charged to the income and expenditure account so as to spread the cost of pensions over the period during which the company benefits from the employees' services.

National Employment Savings Trust is a defined contribution scheme which the company will operate for all other employees. The pension costs charged to the income and expenditure account are the contributions payable in the year.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

Preparation of the financial statements requires senior management to make some critical judgements and estimates. These judgements and estimates are continually evaluated and are based on historical experiences, advice from qualified professionals and other factors that are believed to be reasonable in the circumstances. The areas where senior management has made critical assumptions and estimates are:

- the going concern concept including cashflow projections
- allocation of management costs
- depreciation and amortisation policies
- reserves policies

3	Donations and legacies	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
	Donations and gifts	185	144	329	594
	Legacies received	387	309	696	93
	Trust funds	15	135	150	531
	For the year ended 31 March 2022	587	588	1,175	1,218
	For the year ended 31 March 2021	594	624		1,218

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2022 £'000	Total 2021 £'000
For the year ended 31 March 2022							
Board charges and free personal care	5,300	6,391	-	-	-	11,691	11,866
Revenue grants	367	1,850	-	6	57	2,280	3,336
Support	-	2,221	-	-	-	2,221	2,062
Training income	-	76	-	148	-	224	195
Other income	6	843	-	44	149	1,042	308
	<u>5,673</u>	<u>11,381</u>	<u>-</u>	<u>198</u>	<u>206</u>	<u>17,458</u>	<u>17,767</u>
Analysis by fund							
Unrestricted funds	5,316	9,531	-	192	149	15,188	
Restricted funds	357	1,850	-	6	57	2,270	
	<u>5,673</u>	<u>11,381</u>	<u>-</u>	<u>198</u>	<u>206</u>	<u>17,458</u>	
For the year ended 31 March 2021							
Unrestricted funds	5,418	8,855	19	100	47		14,439
Restricted funds	609	2,427	224	-	68		3,328
	<u>6,027</u>	<u>11,282</u>	<u>243</u>	<u>100</u>	<u>115</u>		<u>17,767</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities (Continued)

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2021 £'000	Total 2020 £'000
For the year ended 31 March 2021							
Board charges and free personal care	5,408	6,458	-	-	-	11,866	11,146
Revenue grants	598	2,427	243	-	68	3,336	2,012
Support	-	2,062	-	-	-	2,062	1,609
Training income	-	111	-	84	-	195	207
Other income	21	224	-	16	47	308	432
	<u>6,027</u>	<u>11,282</u>	<u>243</u>	<u>100</u>	<u>115</u>	<u>17,767</u>	<u>15,406</u>
Analysis by fund							
Unrestricted funds	5,418	8,855	19	100	47	14,439	
Restricted funds	609	2,427	224	-	68	3,328	
	<u>6,027</u>	<u>11,282</u>	<u>243</u>	<u>100</u>	<u>115</u>	<u>17,767</u>	
For the year ended 31 March 2020							
Unrestricted funds	5,212	8,056	39	131	43		13,481
Restricted funds	492	1,088	342	-	3		1,925
	<u>5,704</u>	<u>9,144</u>	<u>381</u>	<u>131</u>	<u>46</u>		<u>15,406</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Other trading activities	2022 £'000	2021 £'000
Fundraising events	688	-
Fundraising bookshop	12	4
Other trading activities		
	<u>700</u>	<u>4</u>

All other trading activities were recorded in unrestricted funds in 2022 and 2021.

6 Investments	2022 £'000	2021 £'000
Income from listed investments	91	91
Interest receivable	-	1
	<u>91</u>	<u>92</u>

All investment income was recorded in unrestricted funds in 2022 and 2021.

7 Raising funds	2022 £'000	2021 £'000
<u>Fundraising and publicity</u>		
Other fundraising costs	1,000	215
<u>Trading costs</u>		
Operating charity shops	3	1
<u>Investment management</u>	19	19
	<u>1,022</u>	<u>235</u>

Expenditure on raising funds in the year amounted to £1,022,000 (2021: £235,000), all of which related to unrestricted funds. Expenditure borne in the year includes extraordinary costs of delayed 2020 events to recognise the 150th anniversary of the charity.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2022 £'000	Total 2021 £'000
For the year ended 31 March 2022							
Staff costs	3,929	7,632	-	357	-	11,918	10,940
Property costs	332	1,539	-	-	183	2,054	1,840
Supplies & services	171	594	-	-	240	1,005	2,233
	<u>4,432</u>	<u>9,765</u>	<u>-</u>	<u>357</u>	<u>423</u>	<u>14,977</u>	<u>15,013</u>
Share of support costs (see note 9)	1,172	2,032	-	11	695	3,910	3,686
Share of governance costs (see note 9)	-	-	-	-	308	308	314
	<u>5,604</u>	<u>11,797</u>	<u>-</u>	<u>368</u>	<u>1,426</u>	<u>19,195</u>	<u>19,013</u>
Analysis by fund							
Unrestricted funds	5,203	9,685	-	362	1,357	16,607	
Restricted funds	401	2,112	-	6	69	2,588	
	<u>5,604</u>	<u>11,797</u>	<u>-</u>	<u>368</u>	<u>1,426</u>	<u>19,195</u>	
For the year ended 31 March 2021							
Unrestricted funds	5,240	8,784	-	222	1,130		15,376
Restricted funds	670	2,655	233	8	71		3,637
	<u>5,910</u>	<u>11,439</u>	<u>233</u>	<u>230</u>	<u>1,201</u>		<u>19,013</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities (Continued)

	Children & Family	Adult & Older People	Carers Services	Training Income	Other Income	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 March 2021							
Staff costs	3,991	6,549	176	224	-	10,940	11,028
Property costs	376	1,300	16	-	148	1,840	2,200
Supplies & services	363	1,703	15	-	152	2,233	843
	<u>4,730</u>	<u>9,552</u>	<u>207</u>	<u>224</u>	<u>300</u>	<u>15,013</u>	<u>14,071</u>
Share of support costs (see note 9)	1,180	1,887	26	6	587	3,686	3,064
Share of governance costs (see note 9)	-	-	-	-	314	314	357
	<u>5,910</u>	<u>11,439</u>	<u>233</u>	<u>230</u>	<u>1,201</u>	<u>19,013</u>	<u>17,492</u>
Analysis by fund							
Unrestricted funds	5,240	8,784	-	222	1,130	15,376	
Restricted funds	670	2,655	233	8	71	3,637	
	<u>5,910</u>	<u>11,439</u>	<u>233</u>	<u>230</u>	<u>1,201</u>	<u>19,013</u>	
For the year ended 31 March 2020							
Unrestricted funds	5,099	8,671	11	354	1,095		15,230
Restricted funds	639	1,238	381	-	4		2,262
	<u>5,738</u>	<u>9,909</u>	<u>392</u>	<u>354</u>	<u>1,099</u>		<u>17,492</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9	Support costs	Support costs £'000	Governance costs £'000	Total 2022 £'000	Total 2021 £'000
	Staff costs	-	251	251	246
	Management	1,178	-	1,178	1,129
	Finance & ICT	701	-	701	672
	HR	392	-	392	376
	General	364	-	364	350
	Property	170	-	170	161
	Depreciation / Amortisation	1,021	-	1,021	998
	Loss on Sale of Assets	84	-	84	-
	Audit fees	-	21	21	21
	Consultancy	-	36	36	47
		<u>3,910</u>	<u>308</u>	<u>4,218</u>	<u>4,000</u>
	Analysed between				
	Charitable activities	<u>3,910</u>	<u>308</u>	<u>4,218</u>	<u>4,000</u>

Support costs are directly attributed costs which have been charged to the operating cost centres, including governance.

The principal central administration and staffing costs including HR, Finance, H&S, Property, ICT, Key Management Personnel and Quality Assurance are calculated in full. This total cost is then recharged out to all performing locations as follows:-

- Principal Property Costs – recharge use of Principal Office and other owned buildings by estimated area and/or rateable value.
- Insurance – estimated by area/rateable value and by specific area of use
- Grounds & Property Maintenance – allocated by area by specific locations of use.
- Management Recharges – estimated as:-
 - 12.5% recharge on total costs to the City Mental Health St Aubin's Group
 - 10% recharge on all other locations on their respective total costs
 - Balance of recharge is absorbed through prime locations which have high levels of administration, such as Linn Moor, to the full extent of recovering the 100% of the principal costs and is at senior management discretion. This balancing recharge fluctuates on a year by year basis.

Governance costs includes payments to the auditors and their associates of £21,000 (2021: £21,000) for audit fees and £nil (2021: £nil) for other financial services.

10 Trustees

None of the Trustees (or any persons connected with them) were reimbursed any expenses or received any remuneration or benefits from the charity during the year.

The sum of £1,680 (2021: £2,464) was incurred during the year for the purchase of insurance to indemnify the against the consequences of any neglect or defaults.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

Number of employees

The average monthly number of employees during the year was 415 (2021: 443).

	2022 £'000	2021 £'000
Employees by full time equivalent:		
Children & family services	133	129
Adult & older people	156	179
Carers services	1	2
Training	9	7
Other	40	43
	<u>339</u>	<u>360</u>

Employment costs

Wages and salaries	11,917	11,540
Social security costs	933	888
Other pension costs	372	379
	<u>13,222</u>	<u>12,807</u>

During the year the charity made redundancy payments totaling £11,871 (2021: £186,123).

The number of employees whose annual remuneration (including employer's national insurance contributions) was £60,000 or more were:

	2022 Number	2021 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1

Eight of the employees (2021: eight) are members of The Pension Trust and contributions amounting to £61,880 (2021: £60,631) were made to their pension scheme during the year.

The Chief Executive received Benefits in Kind during the year equivalent in value to £5,209 (2021: £4,691).

The key management personnel of the charity are defined as the Chief Executive & Company Secretary and the Senior Management Team as detailed in the Trustees' Report. The remuneration of key management personnel in the year amounted to £677,000 (2021: £661,000).

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

12 Net gains on investments	2022 £'000	2021 £'000
Revaluation of investments	127	227
Gains on sale of investments	25	346
Net gains on investment	<u>152</u>	<u>573</u>
13 Intangible fixed assets		Software £'000
Cost		
At 1 April 2021		367
Additions - separately acquired		43
At 31 March 2022		<u>410</u>
Amortisation and impairment		
At 1 April 2021		334
Amortisation charged for the year		25
At 31 March 2022		<u>359</u>
Carrying amount		
At 31 March 2022		<u>51</u>
At 31 March 2021		<u>33</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR

THE YEAR ENDED 31 MARCH 2022

14 Tangible fixed assets	Freehold land and buildings £'000	Assets under construction £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 April 2021	32,032	2,253	1,609	301	361	36,556
Additions	444	-	37	-	51	532
Disposals	(650)	-	-	-	(67)	(717)
Transfers	2,253	(2,253)	-	-	-	-
At 31 March 2022	<u>34,079</u>	<u>-</u>	<u>1,646</u>	<u>301</u>	<u>345</u>	<u>36,371</u>
Depreciation and impairment						
At 1 April 2021	843	-	1,501	267	313	2,924
Depreciation charged in the year	890	-	60	20	26	996
Disposals	(41)	-	-	-	(67)	(108)
At 31 March 2022	<u>1,692</u>	<u>-</u>	<u>1,561</u>	<u>287</u>	<u>272</u>	<u>3,812</u>
Carrying amount						
At 31 March 2022	<u>32,387</u>	<u>-</u>	<u>85</u>	<u>14</u>	<u>73</u>	<u>32,559</u>
At 31 March 2021	<u>31,189</u>	<u>2,253</u>	<u>108</u>	<u>34</u>	<u>48</u>	<u>33,632</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Tangible fixed assets (Continued)

The freehold heritable properties were independently valued as at 31 March 2020. The properties have been valued using either the Depreciated Replacement Cost (DRC) or Fair Value methodology.

At 31 March 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £12,608,000 (2021: £13,289,000).

At the year end the charity had committed to £530,000 (2021: £375,340) of capital expenditure, all of which was in respect of land and buildings (2021: all in respect of land and buildings). See note 29.

15 Fixed asset investments

	Listed investments £'000	Cash in portfolio £'000	Total £'000
Cost or valuation			
At 1 April 2021	2,864	153	3,017
Additions	608	-	608
Valuation changes	127	-	127
Net movement in cash held awaiting investment	-	(72)	(72)
Disposals	(526)	-	(526)
At 31 March 2022	<u>3,073</u>	<u>81</u>	<u>3,154</u>
Carrying amount			
At 31 March 2022	<u>3,073</u>	<u>81</u>	<u>3,154</u>
At 31 March 2021	<u>2,864</u>	<u>153</u>	<u>3,017</u>

16 Stocks

	2022 £'000	2021 £'000
Finished goods and goods for resale	<u>-</u>	<u>-</u>

17 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	1,055	734
Other debtors	-	40
Prepayments and accrued income	949	880
	<u>2,004</u>	<u>1,654</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Creditors: amounts falling due within one year	Notes	2022 £'000	2021 £'000
Trade creditors		379	488
Other taxation and social security		220	214
Deferred income	20	44	292
Bank loans		-	25
Other creditors		41	38
Accruals		543	604
		<u>1,227</u>	<u>1,661</u>
19 Financial instruments		2022 £'000	2021 £'000
Carrying amount of financial assets			
Debt instruments measured at amortised cost		1,055	774
Equity instruments measured at fair value through income and expenditure		<u>3,073</u>	<u>2,864</u>
Carrying amount of financial liabilities			
Measured at amortised cost		<u>963</u>	<u>1,154</u>
20 Deferred income		2022 £'000	2021 £'000
Other deferred income		<u>44</u>	<u>292</u>
Deferred income is included in the financial statements as follows:			
Current liabilities		<u>44</u>	<u>292</u>

During the year £291,524 (2021: £67,610) of deferred income brought forward from the prior year was released to the Statement of Financial Activities. The remaining £nil (2021: £14,623) is included in deferred income at the year end in addition to £44,024 (2021: £276,901) of income received in the year which has also been deferred.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Heritable property

The company owned, at 31 March 2022, the following subjects in Aberdeen, unless otherwise stated:

Name/Description	Location	Main Use
Head Office	Castle Street	Main Registered Office & Book Shop
Cloverfield Grove	Bucksburn	Housing with Care for Older People
Broomhill Park	Broomhill Road	Housing with Care for Older People
Ruthrieston House	Broomhill Road	Residential Care for Older People
Crosby House	May Baird Avenue	Residential Care for Older People
Forestgait (t/a Forest Grove)	Kings Gate	Divested May 2022
Forestgait Lodge/Richmondhill Court	Richmondhill Place	Sheltered Housing & Residential Flats 1-20
Broomhill Activity Centre	Broomhill Road	Activity Centre
Richmondhill House	Richmondhill Place	Administration
Maisie Munro's	Richmondhill Place	Administration
Linn Moor School	Peterculter	Residential School
Rowanlea House	Peterculter	Transition to Adult Supported Housing
Rowanlea Cottage (Lyall)	Peterculter	Transition to Adult Supported Housing
Apache Cottage	Peterculter	Residential for Linn Moor School
Millbank House	Hardgate	Supported Accommodation for Adults
Arrdeir House	Mannofield	Supported Accommodation for Adults
St Aubins	South Anderson Drive	Supported Accommodation for Adults
Northfield Lodge	Provost Fraser Drive	Supported Accommodation for Adults
Land	Holburn Street	Vacant plot/Development site
Easter Anguston:		
- Farm Land & Buildings	Peterculter	Supported Adult Training & Visitor Centre Café
- Crichton House	Peterculter	Café
4 Crown Crescent	Peterculter	Adult Housing with Support
40 Crown Crescent	Peterculter	Adult Housing with Support
1-4 Craigton Grove	Peterculter	Adult Housing with Support

The freehold heritable properties and land were independently valued as at 31 March 2020 by Graham & Sibbald, Chartered Surveyors, in accordance with RICS appraisal and valuation methodology.

The sale of Forestgait, Kings Gate concluded on May 6th 2022.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at
	Balance at 1 April 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	31 March 2022 £'000
Residents Amenities Fund	-	1	(1)	-	-
Grant Funding	10	2,270	(2,280)	-	-
Restricted Trust Funds	111	130	(169)	-	72
Aberdeen District Nurses	19	-	(1)	-	18
Benevolent Fund					
Crisis Fund	39	1	(1)	-	39
Fuel Fund	22	3	-	-	25
Abergeldie Fund	1,355	69	(38)	-	1,386
EAF Education Room Fund	78	-	(3)	-	75
BP Woodland Path Fund	14	-	(1)	-	13
Linn Moor Minibus Fund	51	-	(10)	-	41
A Watt Fund	133	-	(6)	-	127
M Duncan Fund	33	250	(76)	-	207
H McDonald Fund	-	59	-	-	59
Christmas Appeal Fund	-	2	(2)	-	-
Restricted Donations	-	73	-	-	73
	<u>1,865</u>	<u>2,858</u>	<u>(2,588)</u>	<u>-</u>	<u>2,135</u>

	Movement in funds				Balance at
	Balance at 1 April 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	31 March 2021 £'000
Residents Amenities Fund	17	-	(17)	-	-
Grant Funding	19	3,328	(3,337)	-	10
Restricted Trust Funds	40	317	(246)	-	111
Aberdeen District Nurses	20	-	(1)	-	19
Benevolent Fund					
Crisis Fund	38	1	-	-	39
Fuel Fund	18	8	(4)	-	22
Abergeldie Fund	1,108	247	-	-	1,355
EAF Education Room Fund	81	-	(3)	-	78
BP Woodland Path Fund	15	-	(1)	-	14
Restricted Donation	5	-	(5)	-	-
Linn Moor Minibus Fund	50	1	-	-	51
A Watt Fund	139	-	(6)	-	133
M Duncan Fund	-	50	(17)	-	33
	<u>1,550</u>	<u>3,952</u>	<u>(3,637)</u>	<u>-</u>	<u>1,865</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

22 Restricted funds (Continued)

Fund Descriptions:

Residents Amenities Fund - to fund outings, entertainment and small gifts for residents

Grant Funding - to cover costs of meeting contract specifications on running and providing services

Restricted Trust Funds - to fund a specific service at a specified location as nominated by the donor

Aberdeen District Nurses Benevolent Fund - to provide financial and material aid to retired registered nurses

Crisis Fund - for assisting those in urgent financial need due to unforeseen circumstances outwith their control

Fuel Fund - to assist with winter heating bills and heating efficiency systems

Abergeldie Fund - for the construction of a new mental health and wellbeing unit at Abergeldie which is expected to be completed in 2021

EAF Education Room Fund - for the refurbishment of a farm education room to provide learning opportunities for adults and children

BP Woodland Path Fund - for construction path to provide accessibility and safety for children moving across the campus

Restricted Donation – to fund a specific service at a specified location as nominated by the donor

Linn Moor Minibus Fund – for the purchase of a minibus at Linn Moor campus

A Watt Fund - for expenditure on projects at Linn Moor campus to be spent in the 2019/20 financial year

M Duncan Fund – for expenditure at Older People's Services

H McDonald Fund - for expenditure at Linn Moor residential school

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 April 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers	Balance at 31 March 2022 £'000
2020 celebrations	33	-	33		-
Abergeldie (450 Holburn St)	205	-		(205)	-
Business Systems		-		500	500
Building improvements		-		600	600
Ongoing costs of covid		-		500	500
	<u>238</u>	<u>-</u>	<u>33</u>	<u>1,395</u>	<u>1,600</u>

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

24 Revaluation reserve

Movement in the revaluation reserve, which is included in unrestricted funds, during the year was as follows:

	Balance at 1 April 2020 £'000	Revaluation	Movement in funds Release to Unrestricted Funds £'000	Balance at 31 March 2021 £'000
Revaluation reserve	19,982	-	(230)	19,752

	Balance at 1 April 2021 £'000	Revaluation	Movement in funds Release to Unrestricted Funds £'000	Balance at 31 March 2022 £'000
Revaluation reserve	19,752	-	(285)	19,467

25 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2022 are represented by:			
Intangible fixed assets	51	-	51
Tangible assets	32,559	-	32,559
Investments	3,154	-	3,154
Net current assets	108	2,135	2,243
	35,872	2,135	38,007

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

26 Cash absorbed by operations	2022 £'000	2021 £'000
Net incoming/(outgoing) resources for the year	(641)	406
Adjustments for:		
Investment income recognised in statement of financial activities	(91)	(92)
Gain on disposal of investments	(25)	(346)
Fair value (gains)/losses on investments	(127)	(227)
Amortisation and impairment of intangible assets	25	23
Depreciation and impairment of tangible fixed assets	996	976
(Gain)/loss on disposal of tangible fixed assets	84	(5)
Movements in working capital:		
Decrease in stocks	-	11
Increase in debtors	(350)	(191)
Decrease in creditors	(161)	(158)
(Increase)/decrease in deferred income	(248)	210
Cash generated by operations	(538)	607

Net debt reconciliation

	At 31 March 2021	Cash flows	Non-cash movements	At 31 March 2022
Cash and cash equivalents	1,973	(507)	-	1466
Debt: amounts falling due within 1 year	25	(25)	-	-
Debt: amounts falling due after 1 year	-	-	-	-
Total net debt	1,998	(532)	-	1466

27 Pension costs

During the year, the charity contributed to three pension schemes for certain employees. The details of these schemes are shown below:

a) The Pensions Trust

The charity participates in the Pensions Trust's Flexible Retirement Plan and Ethical Plan. Both plans are non-contracted out defined contribution schemes which are not affected by the debt on withdrawal legislation. The charity offers membership of the Flexible Retirement Plan or membership of the Ethical Plan to all managerial staff.

There were 41 active members of the Flexible Retirement Plan at 31 March 2022 (2021: 44). There were 6 active members of the Ethical Plan at 31 March 2022 (2021: 6).

The charity paid contributions at a rate of 7.25% during the accounting year. Members paid contributions at the rate of 4% during the accounting year.

A charge of £44,992 (2021: £139,560) has been made in the year. Employer contributions totaling £32,138 (2021: £11,636) were payable to the pension fund at 31 March 2022 and are included in creditors.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Pension costs (continued)

b) Scottish Teachers Superannuation Scheme

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities of the scheme. As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates are set by the scheme actuary at a level to meet the cost of the pensions as they accrue.

A revised Scottish Teachers' Pension Scheme (STPS) was introduced from 1st April 2015, which meets the requirements of the UK Government's reform program. For the purposes of the reform process, HM Treasury set a benchmark scheme for the STPS which was based upon the new 2015 Teachers' Pension Scheme for England and Wales. Therefore, by definition, the new Scottish Teachers' Pension Scheme design meets the cost envelope set by HM Treasury without requiring any further detailed actuarial analysis.

There were 4 active members of the scheme as at 31 March 2022 (2021: 5). Contributions rates were payable by the charity at 23% (2021: 23%) of pensionable salaries. Members also contributed on salary based sliding scale percentage as follows:

Actual Pensionable Salary	Contributions for 2021/22 (% of pensionable Salary)
Up to and including £29,187	7.4%
£29,188 to £39,290	8.6%
£39,291 to £46,586	9.6%
£46,587 to £61,742	10.2%
£61,743 to £84,193	11.3%
£84,194 and above	11.7%

The total STSS pension costs for the charity was £44,992 (2021: £49,145) and these contributions were made to their pension scheme during the year.

Employer contributions totaling £32,138 (2021: £3,658) were payable to the pension fund at 31 March 2022 and are included in creditors.

c) National Employment Savings Trust

The charity joined the National Employment Savings Trust (NEST) on 1 November 2013. This pension scheme was chosen to comply with automatic enrolment legislation.

NEST is run by NEST Corporation, a trustee body who set the strategic direction and objectives for NEST. NEST Corporation is a non-departmental public body that operates at arm's length from the government and is accountable to Parliament through the Department for Work and Pensions.

All staff below managerial level are automatically enrolled into this scheme. There were 355 active members of NEST at 31 March 2022 (2021: 349).

The charity paid contributions at a rate of 3% and members paid contributions at a rate of 5.0% respectively during the accounting year.

A charge of £199,640 (2021: £190,476) has been made in the year. Employer contributions totalling £17,138 (2021: £16,273) were payable to the pension fund at 31 March 2022 and are included in creditors.

ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £'000	2021 £'000
Within one year	46	30
Between one and five years	31	6
	<u>77</u>	<u>36</u>

Lease commitments are for buildings and vehicles. The lease expenditure charged to income and expenditure in the year was £73,000 (2021: £77,000).

29 Capital commitments

2022 £'000	2021 £'000
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At 31 March 2022 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of tangible non-current assets	<u>530</u>	<u>375</u>
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30 Related party transactions

There are no related party transactions to disclose.

31 Members' liability

Members' liability is limited by guarantee not in excess of £1 per member.

32 Investments

Our overall portfolio value increased during the year to £3,154k (2021: £3,017k).