

**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 2023**

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

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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Trustees	K Shand (Chair of Trustees) J Knowles (Vice Chair of Trustees) G Edwards (Treasurer) S Burt M Gibson J Harper S Heys A McBurnie G Poon D Watson G Watt C Wilkie
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Secretary	Burness Paull LLP
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Charity number (Scotland)	SC012950
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Company number	SC018487
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Operating name	VSA
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Registered office	38 Castle Street Aberdeen AB11 5YU
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Auditor	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL
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Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN
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Solicitors	Burness Paull LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ
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Investment advisors	Aberdeen Standard Capital 1 George Street Edinburgh EH2 2LL
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# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**

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# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees are pleased to present their report including a strategic report together with the audited financial statements for the year to 31 March 2023.

## **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:

K Shand	Chair of Trustees
J Knowles	Vice-Chair of Trustees
G Edwards	Treasurer
S Burt	
M Gibson	
J Harper	
S Heys	
A McBurnie	
P Murray	Resigned 1 October 2022
G Poon	
A Powe	Resigned 13 October 2022
D Watson	Resigned 18 May 2023
G Watt	
C Wilkie	
M Wilson	Resigned 13 October 2022

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

### **Key Management Personnel (Executive Management Team) at 31 March 2023**

J Booth	Interim Chief Executive
A Corbin	Chief Financial Officer
J Ewen	Director of Adult and Community Services
A Garden	Director of Children & Family Services
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 13th October 2022. 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 is based on the mix of skills, knowledge and experience that individuals have to offer, bringing diversity to the Trustee body. A nominations committee was established during the financial year ended 31 March 2023. All potential Trustees are interviewed by a group of nominated Trustees before being recommended to 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 the current Board members retire 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 of the Board.

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

## **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. There is a regular and varied programme of Trustee induction and training in place. Trustees most recently received a training session on safeguarding. Future sessions will focus on, but not be limited to, the following :-

- A regular programme of site visits to gain further understanding of the work of the charity.
- Good Governance and the Scottish Governance Code working group.

## **Organisational Structure**

The Board of Trustees meets quarterly to deal with normal business. The governance and management structure of the charity is such that there is a Services Committee, a Corporate Resources Committee and also an Audit & Risk Committee. In addition, there is a fundraising sub-committee which was set up in October 2022 and is 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.

Mr J Booth as Interim Chief Executive, was appointed by the Trustees during the year to manage the operations of the charity until a new Chief Executive could be appointed. A scheme of delegated authority, approved by the Trustees, was and remains in place to facilitate effective operations. The current Chief Executive is supported by the Executive Management Team consisting of a Chief Operating Officer, Chief Financial Officer and three other Directors.

## **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 disruption at the start of the reporting year until the effectiveness of the vaccination roll-out bedded in. VSA continued to invest in staff recruitment and infection control procedures to mitigate any resurgence of the virus. Normal working practices resumed in summer 2022.

## **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.

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)

## FOR THE YEAR ENDED 31 MARCH 2023

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 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 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 Committee the Strategic Risk Register is then presented to the Board for consideration and approval. The Audit & Risk 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 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"> <li>Highest level of infection control processes in place</li> <li>Robust risk assessments and contingency plans for suspected cases of infection.</li> <li>Non acceptance of hospital discharges with positive test results</li> <li>Adequate provision of PPE and effective guidance for its use.</li> <li>Contract arrangements with temporary staffing agencies</li> </ul>
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"> <li>External funding strategy in place</li> <li>CRM system implemented, including donor relationship management</li> <li>Regular meetings with local political leaders whilst maintaining a politically neutral stance.</li> <li>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.</li> </ul>
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"> <li>Regular review of internal financial control arrangements.</li> <li>Structured internal audit programme.</li> <li>Variance analysis procedures clearly identified.</li> <li>Financial Regulations regularly reviewed.</li> <li>Regular in-depth review of all income sources.</li> </ul>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Lack of awareness of charity law/company law and OSCR regulations.	<ul style="list-style-type: none"> <li>Regular Board training and awareness sessions on charity law and regulatory framework in place.</li> <li>Board induction and training programmes</li> <li>Externally facilitated governance training workshops for Trustees and staff</li> <li>Attendance at OSCR briefing sessions.</li> </ul>
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"> <li>Business continuity and disaster recovery plans in place. 'Cyber Essentials' accreditation.</li> <li>Robust data storage and back up arrangements in place.</li> <li>Data protection policies and procedures in place. ICT acceptable use policy</li> <li>Business Systems Group established</li> </ul>
Health & safety at work breach relating to staff member, contractor, environmental (farm) or customer/service user.	<ul style="list-style-type: none"> <li>Robust health &amp; safety policies and procedures in place supported by workplace training.</li> <li>Health &amp; Safety risk assessment reviews.</li> <li>Robust accident investigation arrangements</li> </ul>
Breach of duty of care in keeping vulnerable beneficiaries, volunteers etc in a safe environment	<ul style="list-style-type: none"> <li>Safeguarding policies &amp; procedures reviewed.</li> <li>Robust PVG checks, as appropriate, in place for staff &amp; volunteers.</li> <li>Promotion of whistle blowing policy to all staff.</li> </ul>
Significant breach of General Data Protection Regulation (GDPR) requirements	<ul style="list-style-type: none"> <li>Compliance Team established to ensure organisational compliance and effective management of data subject rights</li> <li>Implementation of data privacy impact assessment procedures</li> <li>External assessment review completed</li> </ul>
Net Zero targets. Failure to reduce carbon footprint	<ul style="list-style-type: none"> <li>Carbon reduction policy</li> <li>Carbon reduction strategy and reporting</li> </ul>

## Interim Chief Executive's Statement

As we reflect on the challenges of the past year, we remember the times of concern, yet we also celebrate our resilience and the ways in which we worked together to safely navigate the charity through such volatile and uncertain times. At VSA, we were more prepared than some others. By taking early action and focusing our resources, we were able to meet the needs of service users, staff, and volunteers supporting their safety and wellbeing despite the challenges presented by the external environment. VSA was able to expand its reach and service to more members of the community, illustrated by achieving a milestone £20million annual turnover for the first time in our 153 year history

During 2022/23, VSA maintained its focus on delivering the 'Best of Lives' for those people who need and use our services, with 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.



# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

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 partnership working has expanded and developed and we are now in a strong position to take this model further.

The year was not without its challenges, with unprecedented summer temperatures the decision was taken to temporarily suspend operations at our new mental health facility at 450 Holburn St. Fortunately, the purchase of Queen Mother House provided a safe haven for those residents whilst remedial works and further investigations were undertaken to make the living environment more comfortable at 450 Holburn Street. VSA was complimented by all statutory bodies on their response to such a critical matter and is testimony to the resilience, competence and professionalism of our staff. Such remedial works created an unexpected capital cost that will be realised in financial year 2023/24.

This financial year, VSA recorded a significant increase in its fundraising income performance with the team delivering an end of year result of over £3million. This illustrates the cohesiveness and efforts of the team to build relationships and maximise the return on investment.

VSA was able to secure £500,000 from the Scottish Government's Just Transition Fund for a variety of projects at Easter Anguston Farm and Linn Moor Campus. Such a fund was invested in improving the infrastructure and accessibility around the farm for those with physical impairments, redevelop an educational theme in the adventure playgrounds for children to include those with additional support needs. Finally, VSA took the opportunity to invest in delivering a farm to fork educational program for local schools and those that attend Linn Moor Campus to raise awareness around sustainable and environmentally friendly farming.

VSA was delighted to receive platinum accreditation from Investors In People, again demonstrating our commitment to inclusion and the engagement of our workforce in everything we do. The Executive Team, through their due diligence and financial planning was able to ensure that all VSA staff received the real cost of living accredited wage, as a minimum, with the majority of the staff earning over and above this.

At the time of writing this report, VSA has recently completed two significant transformational projects related to its systems and processes. The implementation of a fully digitilised Care Management System has seen the charity move from being paper reliant to almost paper free in the course of a few months. Involvement, inclusion and engagement has been critical in the development, design and delivery of this project, ensuring a smooth transition took place and an excellent example of good change management practices. Taking place concurrently with this project was the implementation of a brand new Finance System which again was delivered to further improve our systems of operation and sound financial management.

The past 12 months certainly have been filled with volatility, uncertainty, complexity and ambiguity both internally and externally. However, this further illustrates the level of resilience within the charity to respond to significant change and uncertainty. It has been a period of transition with the appointment of a new Chair and Chief Executive Officer that will provide further stability and direction for the charity moving forward.

### **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 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

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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 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 its operations and the organisation remains committed to achieving its net zero ambitions by 2045. A carbon footprint audit is undertaken annually to evaluate reductions in GHG emissions 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 three discrete service delivery groups: Children & Family Services, Mental Health Services and Older People's Services, providing a wide range of community-based services to a diverse population. There are also reports on the work of the Communications and Marketing 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 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.

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

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 school based counselling services transferred to another provider in April 2023 due to a local re-commissioning exercise.

#### **Community based services for Children with Disabilities**

ASNAP (Additional Support Needs Advisory Project)

VSA's ASNAP (Additional Support Needs Advisory Project) delivers a model of service to providers in Early Years Settings and After School Clubs which aims to provide the workforce with knowledge, skills and strategies to inclusively support children with diverse abilities and needs to learn through play

The aim of the ASNAP service is to enhance the support of children with additional needs by giving staff the tools and skills to embrace proactive, inclusive approaches.

#### **Key Outcomes:**

Over the year the service has delivered the following:

Individual support to 15 children in early years settings

Online training module to 54 staff across early years settings in Aberdeen City

Face to face training to 91 staff in 11 early years settings

Advice and support to 19 early years settings

### **2) Adult and Community Services**

Adult and Community 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. Due to the success of this project we have again had the contract extended from March 2023 for a further 3 years. Our contract for one flat specialising in bariatric care at Broomhill Park has also been extended.

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**FOR THE YEAR ENDED 31 MARCH 2023**

## **VSA@Home**

We have continued to see growth within our Care at Home service and have begun expansion into Aberdeenshire. Following targeted recruitment in the Shire we hope to continue this growth across Aberdeenshire. At time of writing, we currently support 278 clients and provide over 1000 hours of support per week. VSA @ Home were also successful in taking over the contract for Sheltered Housing from another provider in Aberdeen City.

## **COVID-19 and our care homes**

Although we have still had the odd isolated case of Covid within our care homes, we are returning to pre pandemic model of service delivery. Thanks to the dedicated support of our frontline staff we were able to navigate the the pandemic with no loss of life for any of our service users.

Service users and staff are delighted that visitors can now visit as frequently as they like with no restrictions and this has had a positive impact on the mental wellbeing of people we support.

We are, of course mindful that we could still have an outbreak in our services and continue to work with our partners in the Health and Social Care Partnership, NHS and Public Health to ensure that our staff, service users and visitors are kept continually updated on latest guidance. We also continue to have a healthy stock of PPE should this be required in the event of an outbreak.

## **Mental Wellbeing Services**

VSA supported over 200 people during the year with a diagnosis of mental illness in Aberdeen City. Our mental health services include residential care homes, supported living units and a residential rehabilitation service. VSA continue to be the largest local provider of residential mental health services with our residential care homes sitting at full capacity for the majority of the year. Our mental health services all deliver recovery focused support with individuals working towards their own outcome focused goals.

## **Easter Anguston Farm**

Easter Anguston 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. There are now a total of 12 trainees working at the farm and all are actively involved in the full programme of activities.

The farm also opened to the public in Easter 2022 bringing further opportunities for the trainees to interact with visitors and showcase their work.

Visitor opening has also been maintained over the year with the farm being accessible to the public 7 days per week during the holiday periods. July 2022 also saw the beginning of our partnership with CUP Tea Salon who now operate the café at Easter Anguston.

## **Just Transition Fund**

The Easter Anguston site was also fortunate to secure funding in November 2022 from the Scottish Government Just Transition Fund. Through this funding we have been able to raise awareness of environment, climate and biodiversity to the children and young people who use and visit the site. This has been achieved though making the site more accessible to children with disabilities, increasing farm themed play equipment, providing additional capacity to grow fruit and vegetables and meaningful education through the Farm to Fork programme.

**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 cafe. This will be reviewed on

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

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 complex needs. 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.

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 25 young people were supported during the financial year (across the full campus, LM & Rowanlea)

#### **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.

### **Philanthropy and Income Generation**

The work of VSA is supported and enhanced by the generosity of all of those who make donations or by giving up their time. It is thanks to the support we receive financially that we can enhance the lives of the people we care for.

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

Since emerging from the pandemic, we have aimed to build on raising the profile of VSA across the business and local communities who support us to increase our voluntary income.

In 2022/23 we gained various new charity of the year corporate partnerships, which are an integral part of helping us make a real difference in the lives of the people we support. Our fundraising team works with corporate partners on a specific programme of corporate volunteering, fundraising events, and philanthropic donations.

VSA has continued to develop and strengthen ties with the communities we work in. We have been in attendance at various challenge events, gala days, and highland games throughout the year. The vital funds and support generated by these events are a reflection of the generosity of the people of the North East and their belief in the essential work that VSA provides.

Thanks to Trusts and Foundations, we have also been able to provide vital upgrades to our property portfolio and provide colleagues with well-deserved well-being activities. Due to funding secured from the Just Transition Fund, we were also able to invest in our Easter Anguston Farm site supporting us with our goal to provide alternative education pathways and farm to fork programmes.

Legacy Giving is a fundamental income stream and we are always extremely grateful to the people who chose to gift money to VSA. In 2022/23 we received £1.4m in legacy income which truly makes a vital difference to the quality of care we deliver.

We held various events throughout the year including A Christmas Celebration and the Jubilee Beacon lighting as part of her late Majesty the Queen's Platinum Jubilee Beacon celebrations. Supporters also participated in events such as the London Marathon, Run Balmoral, climbing Kilimanjaro, Kiltwalk, and Banchory Beast.

Total fundraised income in the financial year amounted to £3.042m. The cost of raising funds was £236k.

### **Communications and Marketing**

During the year, we aim to engage, interact and communicate effectively with all internal and external stakeholders.

We have launched and developed a new e-mail marketing platform allowing us to create personalised content, improve communication with internal and external stakeholders, and create segmented lists. During 2022 / 23 we sent 34 separate campaigns which were 12,478 emails sent with a delivery rate of 99.2%.

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

Facebook: 13,756 an increase of 12%

Instagram: 1269 an increase of 7%

Twitter: 3150 a decrease of 0.09%

Number of website visits this year: 187, 419 an increase of 2%

We continually aim to raise the profile of VSA via PR and social media and started working with a local agency Mearns & Gill working on a PR strategy for the coming year.

### **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.

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

Throughout the year, we continued to develop relationships with wider media outlets across the region and the wider 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**

Awarded IIP Platinum status in early summer of 2022, VSA continues to recognise the value and criticality of having engaged and professional people delivering our services for the benefit of those in our community who rely on our support.

## **Recruitment**

This year has seen our team focus on maintaining as high a profile as possible, as an Employer of Choice. Achieved through continued and targeted Social Media activity along with proactive engagement with the employment market through a range of activities including, but not limited to; External and Internal Recruitment Events, engagement with further and higher education, promoting career pathways through Health and Social Care, including engagement in the Foundation Apprenticeship scheme, promotion of VSA as a Fair Wage employer etc. This has enabled us to maintain a steady stream of quality candidates to ensure that we are adequately resourced to support and provide a high standard of care to the people who use our services.

Focussed activity has been required to support the growth of our Care at Home services, with some more recent moves to extend our reach into Aberdeenshire. We continue to explore and engage with Government initiatives, such as the DWP 12 week Placement Scheme "Abzworks", taking our employment proposition to the market.

## **Learning & Development**

We continue to take a hybrid approach to our learning and development programme for staff, making appropriate use of eLearning to support our face to face competence based training along side our ongoing qualifications programme.

Our Modern Apprenticeship programme continues to act as the linchpin in our aim to ensure that staff not only meet their statutory qualification requirements, but feel confident in their knowledge and ability to provide high standards of care. This year saw VSA engage with the Foundation Level Apprenticeship, supporting young adults in their 5<sup>th</sup> and 6<sup>th</sup> year of secondary education gain a valuable occupational qualification, as well as gain insight into our sector with a view to future employment. Further work was undertaken with Robert Gordon University, offering a range of modules through tertiary education to support the development of Career Pathways for staff in the Health and Social Care sector.

## **Staff Wellbeing**

Our rolling, Strategic Wellbeing Programme has continued this year. A change of staffing with a new Occupational Health Nurse joining us in spring of this year, she will continue to proactively support staff in taking care of their physical and mental health and wellbeing.

## **Health and Safety**

Investment in new staff members in the role of H&S Business Partner, has allowed us to increase the visibility and proactivity of the H&S function. Dedicating each of our Business Partners to a portfolio of internal clients ensures that they are close to their customers and can tailor best practice and legislative requirements to the specific nature of the area they support. Building relationships with managers and front line staff alike, our committee structure aims to ensure that information relating to Health and Safety flows freely across our organisation and that issues affecting our front line delivery of services can be proactively and effectively managed.

## **Remuneration Policy**

The Board of Trustees previously appointed a Remuneration Group, which has been absorbed within the remit of the Audit & Risk Committee that will advise Trustees on the remuneration policy for both senior

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

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.

In the main, front line staff salaries are directly linked to our statutory funding provisions, with increases in this reporting period for these staff contained in, and determined by, associated contractual revisions.

For those staff who sit outside of this arrangement, recommendations will be made to the board of trustees, with a range of methods used to assist with decisions on employee remuneration. These include; benchmarking exercises within the sector and local economy to ensure VSA is competitively placed; consultation of local and national surveys; seeking legal and professional advice on remuneration to ensure VSA complies with equal pay and living wage requirements.

VSA meets its annual, statutory obligation to report on gender factors affecting remuneration, which in this period, once again confirmed that we effectively do not have any gender pay gap and that gender has no direct bearing on remuneration.

In Spring of 2023, pay awards resulted in VSA now being an Accredited Living Wage Employer, Scotland.

### **2022/23 notable achievements**

As the charity recovered from the recent pandemic crisis and the cost-of-living challenges arising from the war in Europe, VSA was able to mitigate the impacts and continue to deliver services to the vulnerable people that need our support.

During such a challenging period, the charity was able to:

- Realising annual revenue income of £ 20 million, generating an operating surplus position through the expansion of operational services and higher than expected receipts of charitable income.
- Controlled expenditure taking opportunities to introduce 3 new business systems to improve efficiency and take a step closer to digitisation.
- Reinstate face-to-face as well as online skill development and continue health & well-being support to all our staff levels to increase to meet growing demand and stabilise employee retention.
- Maximized income recovery as much as possible: reducing fixed costs, tapping into Just Transition Funds to start to reopen Eastern Anguston Farm, keeping staffing and vacancy levels in registered services well balanced as well as responding to growing demand for care at home through our role in the Granite Care Consortium.
- Compiled the 150th anniversary stories ready to publish and begun to deploy to re-engage stakeholders in a series of community events across the city.

### **Future Plans**

For more than 150 years, VSA has been an essential source of care and support for North-East of Scotland. Our unwavering commitment to meeting the changing needs of the community drives us to provide a broad range of health and social care services that promote the physical, emotional, mental, and social well-being of every individual we care for throughout the current cost of living crisis and beyond. At VSA, we always aim to go above and beyond in our care to make a positive impact on the lives of those we serve and the communities we are a part of. We continually evaluate our services and actively involve all stakeholders, including service users, colleagues, volunteers, donors, and families, to ensure we are delivering the best possible care and support. With our new strategy, we aim to build on our rich history of success by redefining our purpose, vision, and core values under six key strategic priorities that will allow us to enhance care and transform communities in a meaningful and sustainable way.

Considering the current global landscape, VSA's strategic focus on sustainability and adapting to socio-economic and environmental changes is crucial for long-term success post-pandemic. The challenges of the 21st century and beyond are significant, and they will have a profound impact on the prosperity and well-being of our region for generations to come. From global volatility to rising healthcare needs, from the cost-of-living crisis to the urgent need for carbon neutrality, these challenges are complex and multifaceted.



# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

But we believe that with VSA's people, innovation, technology, sustainability, and collaboration, we can rise to meet these challenges head-on. Together, we can shape a brighter future for our community and for all those who need our support.

### **We will:**

1. Ensure people feel empowered to make a difference.
2. Provide professional, consistent, and sustainable social care services.
3. Demonstrate sound business planning and financial prudence.
4. Create a sustainable infrastructure that is respectful to the environment and changing needs.
5. Identify, engage, interact, and communicate effectively with all stakeholders.
6. Enhance the range, depth, and value of partnerships to support these strategic aims.

Our strategic priorities revolve around putting people and communities first. We are committed to fostering inclusion, innovation, diversity, curiosity, and honesty. By collaborating, we will drive sustainable transformation in communities, approach our work with passion and purpose, and deliver services that are economically, socially, and environmentally sustainable for the betterment of communities.

### **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 seek to to minimise our management overheads and to be effective and efficient in how we deliver our frontline services and our essential support functions.

### **Financial Review**

Financial year 2022/23 was the eighth 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 deficit for the year of £(730,000) (2022: net deficit of £(641,000) 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)	1,017
Deduct: Depreciation charged to unrestricted funds	(628)
Depreciation charged to revaluation reserve	(333)
Adjustment for: Realised/Unrealised Gain on Investments	(239)
Adjustment for: Gain on sale of fixed assets	593
Adjustments for: Designated Funds	(843)
Adjustments for: capital expenditure from restricted funds	(142)
Adjustment for: Re-allocation from fixed assets to I&E against restricted funds	(155)
Net deficit	(730)

A designated sum of £500,000 was brought forward from 2021/22 to cover the ongoing costs of Covid. A sum of £356,000 was expended in the financial year with the balance of £144,000 transferred to the unrestricted fund. An additional designated fund of £600,000 was brought forward to allocate to the cost of building improvements. A balance of £500,000 was carried forward to the 2023/24 financial year. An additional designated fund of £500,000 was brought forward to allocate the costs of digital business systems. A balance of £96,000 was carried forward to the 2023/24 financial year.

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

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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 £24,000 (2022: £25,000), plus an unrealised loss on the value of investments at 31 March 2023 of £263,000 (2022: £127,000 gain).

Capital expenditure incurred during the financial year was £638,000 compared to £532,000 expended in the previous financial year. Capital expenditure was incurred: £540,000 on purchase of Queen Mother House, £24,000 on 450 Holburn St and £34,000 on Forestgait Lodge refurbishments, £20,000 Linn Moor vehicle and £20,000 on Linn Moor generators.

## **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 2022/23 financial year.

- (1) 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.
- (2) The potential for unbudgeted expenditure being incurred which cannot be offset, timeously, by reprioritising other areas of spend.
- (3) 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?**

VSA continues to adopt a policy of retaining sufficient reserves to shield it from the financial impact of unforeseen events, or events over which we have no control, such as an economic downturn and local authority budget cuts that could reduce income levels and limit service delivery.

The Directors regularly review the level of reserves designated for future operating costs and capital projects, and consider the risks associated with sustaining income streams and managing expenditure in accordance with budget. They are also cognisant of risks associated with certain balance sheet items, including the potential for unexpected investment losses. The Directors consider it appropriate that a policy of holding reserves for future unanticipated operating costs and capital projects equating to at least 6 months of total operating income, should continue to be in place. The policy will remain under review on at least an annual basis and will be adjusted to respond dynamically to both internal and

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

## **FOR THE YEAR ENDED 31 MARCH 2023**

external financial events

As at 31 March 2023 the actual level of available reserves (investments plus bank balances) was £5,745k. The target level of available reserves, based on 6 months equivalent operational income (excluding legacies and donations) in 2022/23, was £9,299k. The actual level of reserves fell short of this target at 31 March 2023. The Trustees agreed to keep this under close review.

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 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 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 2022/23 was £103k (2021/22 £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 2023 was £2,895k (2022: £3,154k). There was a realised gain on the sale of some investments during the financial year of £24,000 (2022: £25,000), and an unrealised loss on the value of investments at 31 March 2023 of £263,000 (2022: £127,000 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

# **ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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 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 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 Platinum 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.

<b>Energy Consumption</b>	<b>Consumption (kWh)</b>		<b>Tonnes CO2e</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gas	4,646,272	5,717,182	862	1,058
Electricity	1,655,178	1,618,013	320	344
Transport	<u>67,963</u>	<u>58,298</u>	<u>16</u>	<u>14</u>
Total	<u>6,369,413</u>	<u>7,393,493</u>	<u>1,198</u>	<u>1,416</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)  
TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2023**

We continue to use tCO<sub>2</sub>/FTE (tonnes of CO<sub>2</sub>e 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.

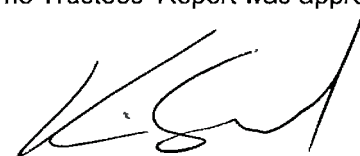
**Carbon Reduction**

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**

7 September, 2023

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

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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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 2023 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 2023 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 FRS 102, the Charities SORP, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended);
- Focused on the specific laws and regulations we consider may have an indirect effect on the financial statements that are central to the entity's ability to conduct its charitable activities;
- 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;
- Carried out detailed testing to verify the completeness, validity, existence and accuracy of income including cut-off testing and ensure income recognition is in line with stated accounting policies;
- 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.

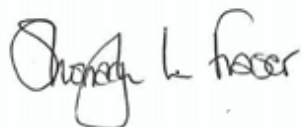
Because of the inherent limitations of an audit, there is an unavoidable risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk of not detecting a material misstatement due to fraud is 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

## **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

8 September 2023

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
<b><u>Income from:</u></b>					
Donations and legacies	3	609	2,433	3,042	1,175
Charitable activities	4	17,291	1,131	18,422	17,458
Other trading activities	5	50	-	50	700
Investments	6	103	-	103	91
<b>Total income</b>		<u>18,053</u>	<u>3,564</u>	<u>21,617</u>	<u>19,424</u>
<b><u>Expenditure on:</u></b>					
Raising funds	7	<u>236</u>	<u>-</u>	<u>236</u>	<u>1,022</u>
Charitable activities	8	<u>18,893</u>	<u>2,979</u>	<u>21,872</u>	<u>19,195</u>
<b>Total resources expended</b>		<u>19,129</u>	<u>2,979</u>	<u>22,108</u>	<u>20,217</u>
Net (losses)/gains on investments	12	<u>(239)</u>	<u>-</u>	<u>(239)</u>	<u>152</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(1,315)	585	(730)	(641)
Gross transfers between funds		<u>1,724</u>	<u>(1,724)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		409	(1,139)	(730)	(641)
Revaluation of tangible fixed assets		5,478	-	5,478	-
Total funds brought forward		<u>35,872</u>	<u>2,135</u>	<u>38,007</u>	<u>38,648</u>
<b>Total funds carried forward</b>		<u>41,759</u>	<u>996</u>	<u>42,755</u>	<u>38,007</u>

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

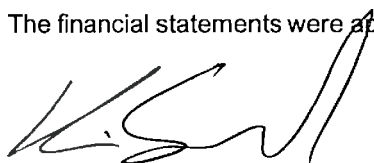
All income and expenditure derive from continuing activities.

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 2023**

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	13	27	51
Tangible assets	14	36,537	32,559
Investments	15	2,895	3,154
		39,459	35,764
<b>Current assets</b>			
Stocks	16	-	-
Debtors	17	1,939	2,004
Cash at bank and in hand		2,850	1,466
		4,789	3,470
<b>Creditors: amounts falling due within one year</b>	18	(1,493)	(1,227)
<b>Net current assets</b>		3,296	2,243
<b>Net assets</b>		42,755	38,007
<b>Income funds</b>			
Restricted funds	22	996	2,135
Unrestricted funds			
Designated funds	23	1,596	1,600
Revaluation reserve	24	24,358	19,467
General unrestricted funds		15,805	14,805
		41,759	35,872
		42,755	38,007

The financial statements were approved by the Trustees and authorised for issue on 7 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 2023**

		2023	2022
<b>Cash flows from operating activities</b>	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Cash (absorbed)/generated by operations	26	109	(538)
<b>Investing activities</b>			
Purchase of intangible assets		(1)	(43)
Purchase of tangible fixed assets		(638)	(532)
Purchase of investments		(631)	(608)
Proceeds on disposal of tangible fixed assets		1,795	525
Proceeds on disposal of investments		647	623
Investment income		103	91
<b>Net cash generated from / (used in) investing activities</b>		1,275	56
<b>Net cash generated from financing activities</b>		-	(25)
<b>Net increase in cash and cash equivalents</b>		1,384	(507)
Cash and cash equivalents at beginning of year		1,466	1,973
<b>Cash and cash equivalents at end of year</b>		<b>2,850</b>	<b>1,466</b>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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 2023

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#### 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 2023

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#### 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 2023

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#### 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 2023

#### 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 2023 £'000	Total 2022 £'000
	Donations and gifts	360	331	691	329
	Legacies received	141	1,306	1,447	696
	Trust funds	108	796	904	150
	<b>For the year ended 31 March 2023</b>	<b>609</b>	<b>2,433</b>	<b>3,042</b>	<b>1,175</b>
	<b>For the year ended 31 March 2022</b>	<b>587</b>	<b>588</b>		<b>1,175</b>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 4 Charitable activities

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2023 £'000	Total 2022 £'000
<b>For the year ended 31 March 2023</b>							
Board charges and free personal care	5,632	7,273	-	-	-	12,905	11,691
Revenue grants	67	1,063	-	1	-	1,131	2,280
Support	-	3,358	-	-	-	3,358	2,221
Training income	-	142	-	167	-	309	224
Other income	19	651	-	33	16	719	1,042
	<u>5,718</u>	<u>12,487</u>	<u>-</u>	<u>201</u>	<u>16</u>	<u>18,422</u>	<u>17,458</u>
<b>Analysis by fund</b>							
Unrestricted funds	5,651	11,424	-	200	16	17,291	
Restricted funds	67	1,063	-	1	-	1,131	
	<u>5,718</u>	<u>12,487</u>	<u>-</u>	<u>201</u>	<u>16</u>	<u>18,422</u>	
<b>For the year ended 31 March 2022</b>							
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>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 4 Charitable activities (Continued)

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2022 £'000	Total 2021 £'000
<b>For the year ended 31 March 2022</b>							
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>
<b>Analysis by fund</b>							
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>	
<b>For the year ended 31 March 2021</b>							
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 2023**

<b>5 Other trading activities</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Fundraising events	9	688
Fundraising bookshop	17	12
Other trading activities	24	-
	<u>50</u>	<u>700</u>

All other trading activities were recorded in unrestricted funds in 2023 and 2022.

<b>6 Investments</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Income from listed investments	95	91
Interest receivable	8	-
	<u>103</u>	<u>91</u>

All investment income was recorded in unrestricted funds in 2023 and 2022.

<b>7 Raising funds</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<u>Fundraising and publicity</u>		
Other fundraising costs	215	1,000
<u>Trading costs</u>		
Operating charity shops	4	3
<u>Investment management</u>	17	19
	<u>236</u>	<u>1,022</u>

Expenditure on raising funds in the year amounted to £236,000 (2022: £1,022,000), all of which related to unrestricted funds.

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 8 Charitable activities

	Children & Family £'000	Adult & Older People £'000	Carers Services £'000	Training Income £'000	Other Income £'000	Total 2023 £'000	Total 2022 £'000
<b>For the year ended 31 March 2023</b>							
Staff costs	3,817	8,206	-	404	-	12,427	11,918
Property costs	438	2,064	-	-	227	2,729	2,054
Supplies & services	186	1,265	-	-	110	1,561	1,005
	<u>4,441</u>	<u>11,535</u>	<u>-</u>	<u>404</u>	<u>337</u>	<u>16,717</u>	<u>14,977</u>
Share of support costs (see note 9)	1,258	2,401	-	16	1,173	4,848	3,910
Share of governance costs (see note 9)	-	-	-	-	307	307	308
	<u>5,699</u>	<u>13,936</u>	<u>-</u>	<u>420</u>	<u>1,817</u>	<u>21,872</u>	<u>19,195</u>
<b>Analysis by fund</b>							
Unrestricted funds	5,464	11,217	-	420	1,792	18,893	
Restricted funds	235	2,719	-	-	25	2,979	
	<u>5,699</u>	<u>13,936</u>	<u>-</u>	<u>420</u>	<u>1,817</u>	<u>21,872</u>	
<b>For the year ended 31 March 2022</b>							
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>

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

**FOR THE YEAR ENDED 31 MARCH 2023**

**8 Charitable activities (Continued)**

	Children & Family	Adult & Older People	Carers Services	Training Income	Other Income	Total 2022	Total 2021
For the year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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>
<b>Analysis by fund</b>							
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 2023

9	Support costs	Support costs £'000	Governance costs £'000	Total 2023 £'000	Total 2022 £'000
	Staff costs	-	257	257	251
	Management	1,633	-	1,633	1,178
	Finance & ICT	972	-	972	701
	HR	544	-	544	392
	General	505	-	505	364
	Property	233	-	233	170
	Depreciation / Amortisation	961	-	961	1,021
	Loss on Sale of Assets	-	-	-	84
	Audit fees	-	22	22	21
	Consultancy	-	28	28	36
		<u>4,848</u>	<u>307</u>	<u>5,155</u>	<u>4,218</u>
	Analysed between Charitable activities	<u>4,848</u>	<u>307</u>	<u>5,155</u>	<u>4,218</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 £21,600 (2022: £21,000) for audit fees and £nil (2022: £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 £1,848 (2022: £1,680) 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 2023**

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was 499 (2022: 415).

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Employees by full time equivalent:		
Children & family services	124	133
Adult & older people	228	156
Carers services	1	1
Training	9	9
Other	45	40
	<u>407</u>	<u>339</u>

**Employment costs**

Wages and salaries	12,630	11,917
Social security costs	1,050	933
Other pension costs	389	372
	<u>14,069</u>	<u>13,222</u>

During the year the charity made redundancy payments totalling £54,759 (2022: £11,871).

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	2	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	3
£90,001 - £100,000	2	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1

Eight of the employees (2022: eight) are members of The Pension Trust and contributions amounting to £48,441 (2022: £61,880) were made to their pension scheme during the year.

The Chief Executive received Benefits in Kind during the year equivalent in value to £2,056 (2022: £5,209).

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 £663,337 (2022: £677,000).

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

<b>12 Net gains on investments</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Revaluation of investments	(263)	127
Gains on sale of investments	24	25
Net gains on investment	<u>(239)</u>	<u>152</u>
<b>13 Intangible fixed assets</b>		<b>Software £'000</b>
<b>Cost</b>		
At 1 April 2022		410
Additions - separately acquired		1
At 31 March 2023		<u>411</u>
<b>Amortisation and impairment</b>		
At 1 April 2022		359
Amortisation charged for the year		25
At 31 March 2023		<u>384</u>
<b>Carrying amount</b>		
At 31 March 2023		<u>27</u>
At 31 March 2022		<u>51</u>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR

### THE YEAR ENDED 31 MARCH 2023

14 Tangible fixed assets	Freehold land and buildings £'000	Assets under construction £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>						
At 1 April 2022	34,079	-	1,646	301	345	36,371
Additions	597	-	20	-	21	638
Disposals	(1,250)	-	-	-	(29)	(1,279)
Revaluation	2,975	-	-	-	-	2,975
At 31 March 2023	<u>36,401</u>	<u>-</u>	<u>1,666</u>	<u>301</u>	<u>337</u>	<u>38,705</u>
<b>Depreciation and impairment</b>						
At 1 April 2022	1,692	-	1,561	287	272	3,812
Depreciation charged in the year	863	-	43	14	16	936
Disposals	(52)	-	-	-	(25)	(77)
Revaluation	(2,503)	-	-	-	-	(2,503)
At 31 March 2023	<u>-</u>	<u>-</u>	<u>1,604</u>	<u>301</u>	<u>263</u>	<u>2,168</u>
<b>Carrying amount</b>						
At 31 March 2023	<u>36,401</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>74</u>	<u>36,537</u>
At 31 March 2022	<u>32,387</u>	<u>-</u>	<u>85</u>	<u>14</u>	<u>73</u>	<u>32,559</u>

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 14 Tangible fixed assets (Continued)

The freehold heritable properties were independently valued as at 31 March 2023. The properties have been valued using either the Depreciated Replacement Cost (DRC) or Fair Value methodology.

At 31 March 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £12,797,000 (2022: £12,608,000).

At the year end the charity had committed to £nil (2022: £530,000) of capital expenditure (2022: all in respect of land and buildings). See note 29.

#### 15 Fixed asset investments

	Listed investments £'000	Cash in portfolio £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2022	3,073	81	3,154
Additions	631	-	631
Valuation changes	(267)	-	(267)
Net movement in cash held awaiting investment	-	(53)	(53)
Disposals	(570)	-	(570)
At 31 March 2023	<u>2,867</u>	<u>28</u>	<u>2,895</u>
<b>Carrying amount</b>			
At 31 March 2023	<u>2,867</u>	<u>28</u>	<u>2,895</u>
At 31 March 2022	<u>3,073</u>	<u>81</u>	<u>3,154</u>

#### 16 Stocks

	2023 £'000	2022 £'000
Finished goods and goods for resale	<u>-</u>	<u>-</u>

#### 17 Debtors

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	530	1,055
Other debtors	-	-
Prepayments and accrued income	1,409	949
	<u>1,939</u>	<u>2,004</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>18 Creditors: amounts falling due within one year</b>	<b>Notes</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Trade creditors		564	379
Other taxation and social security		232	220
Deferred income	<b>20</b>	25	44
Bank loans		-	-
Other creditors		50	41
Accruals		622	543
		<u>1,493</u>	<u>1,227</u>
<b>19 Financial instruments</b>		<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Carrying amount of financial assets</b>			
Debt instruments measured at amortised cost		529	1,055
Equity instruments measured at fair value through income and expenditure		<u>2,867</u>	<u>3,073</u>
<b>Carrying amount of financial liabilities</b>			
Measured at amortised cost		<u>1,237</u>	<u>963</u>
<b>20 Deferred income</b>		<b>2023 £'000</b>	<b>2022 £'000</b>
Other deferred income		<u>25</u>	<u>44</u>
Deferred income is included in the financial statements as follows:			
Current liabilities		<u>25</u>	<u>44</u>

During the year £44,024 (2022: £291,524) of deferred income brought forward from the prior year was released to the Statement of Financial Activities. The remaining £nil (2022: £nil) is included in deferred income at the year end in addition to £25,055 (2022: £44,024) 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 2023**

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**21 Heritable property**

The company owned, at 31 March 2023, the following subjects in Aberdeen, unless otherwise stated:

<b>Name/Description</b>	<b>Location</b>	<b>Main Use</b>
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 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 (Lyll)	Peterculter	Transition to Adult Supported Housing
Apache Cottage	Peterculter	Residential for Linn Moor School
Arrdeir House	Mannofield	Residential Care for Adults
St Aubins	South Anderson Drive	Residential Care for Adults
Northfield Lodge	Provost Fraser Drive	Residential Care for Adults
450	450 Holburn Street	Residential Care for Adults
Queen Mother House	18 Claremount Street	Residential Care for Adults
Easter Anguston:		
- Farm Land & Buildings	Peterculter	Supported Adult Training & Visitor
- 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 2023 by Graham & Sibbald, Chartered Surveyors, in accordance with RICS appraisal and valuation methodology.

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 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 1 April 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance at 31 March 2023 £'000
Residents Amenities Fund	-	3	(3)	-	-
Grant Funding	-	1,131	(1,122)	(9)	-
Restricted Trust Funds	72	699	(714)	(49)	8
Aberdeen District Nurses	18	-	(1)	-	17
Benevolent Fund					
Crisis Fund	39	2	-	-	41
Fuel Fund	25	104	(2)	-	127
Abergeldie Fund	1,386	-	-	(1,386)	-
EAF Education Room Fund	75	-	-	(75)	-
BP Woodland Path Fund	13	-	-	(13)	-
Linn Moor Minibus Fund	41	-	-	(41)	-
A Watt Fund	127	-	-	(127)	-
M Duncan Fund	207	90	(90)	-	207
H McDonald Fund	59	-	-	-	59
A Cheyne Fund	-	60	(60)	-	-
Ithaca Energy Fund	-	150	(92)	-	58
Restricted Donations	73	78	(151)	-	-
A & D Emslie Fund	-	729	(442)	-	287
P C Martin Fund	-	426	(277)	-	149
CNOOC International Fund	-	18	-	-	18
Communities Health & Wellbeing Fund	-	11	-	-	11
Workforce Wellbeing Fund	-	14	-	-	14
Heritage Project	-	49	(25)	(24)	-
	<u>2,135</u>	<u>3,564</u>	<u>(2,979)</u>	<u>(1,724)</u>	<u>996</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**22 Restricted funds (Continued)**

	<b>Movement in funds</b>				<b>Balance at</b>
	<b>Balance at 1</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>31</b>
	<b>April 2021</b>	<b>resources</b>	<b>expended</b>		<b>March 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Residents Amenities Fund	-	1	(1)	-	-
Grant Funding	10	2,270	(2,280)	-	-
Restricted Trust Funds	111	130	(169)	-	72
Aberdeen District Nurses Benevolent Fund	19	-	(1)	-	18
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>

**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 – was for the construction of a new mental health and wellbeing unit at 450 Holburn St which is 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



**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

H McDonald Fund - for expenditure at Linn Moor residential school

Ithaca Energy Fund – for expenditure at Queen Mother House

A & D Emslie Fund - for expenditure at Older People’s Services

P C Martin Fund - for expenditure at Easter Anguston Farm

CNOOC International Fund - for expenditure at Easter Anguston Farm

Communities Mental Health & Wellbeing Fund - for expenditure at Care @ Home service

Workplace Wellbeing Fund - for expenditure at various sites

Heritage Project – Heritage funding in support of 150<sup>th</sup> anniversary exhibition

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**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:

	<b>Balance at 1 April 2022 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers</b>	<b>Balance at 31 March 2023 £'000</b>
Business Systems	500	-	(404)	-	96
Building improvements	600	-	(100)	-	500
Ongoing costs of covid	500	-	(338)	(162)	-
Contingency energy fund	-	700	-	-	700
Air cooling installation at Abergeldie	-	300	-	-	300
	<u>1,600</u>	<u>1,000</u>	<u>(842)</u>	<u>(162)</u>	<u>1,596</u>

**ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**24 Revaluation reserve**

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

	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

	Balance at 1 April 2022 £'000	Revaluation	Movement in funds Release to Unrestricted Funds £'000	Balance at 31 March 2023 £'000
Revaluation reserve	19,467	5,478	(587)	24,358

**25 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2023 are represented by:			
Intangible fixed assets	27	-	27
Tangible assets	36,537	-	36,537
Investments	2,895	-	2,895
Net current assets	2,300	996	3,296
	41,759	996	42,755

# ABERDEEN ASSOCIATION OF SOCIAL SERVICE (OPERATING AS VSA)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

26	Cash absorbed by operations	2023 £'000	2022 £'000
	Net incoming/(outgoing) resources for the year	(730)	(641)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(103)	(91)
	Gain on disposal of investments	(24)	(25)
	Fair value (gains)/losses on investments	266	(127)
	Amortisation and impairment of intangible assets	26	25
	Depreciation and impairment of tangible fixed assets	936	996
	(Gain)/loss on disposal of tangible fixed assets	(593)	84
	Movements in working capital:		
	Decrease in stocks	-	-
	(Increase)/decrease in debtors	65	(350)
	Increase/(decrease) in creditors	285	(161)
	Decrease in deferred income	(19)	(248)
	<b>Cash generated by operations</b>	<b>109</b>	<b>(538)</b>

#### Net debt reconciliation

	At 31 March 2022	Cash flows	Non-cash movements	At 31 March 2023
Cash and cash equivalents	1,466	1,384	-	2,850
Debt: amounts falling due within 1 year	-	-	-	-
Debt: amounts falling due after 1 year	-	-	-	-
<b>Total net debt</b>	<b>1,466</b>	<b>1,384</b>	<b>-</b>	<b>2,850</b>

#### 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 34 active members of the Flexible Retirement Plan at 31 March 2023 (2022: 41). There were 5 active members of the Ethical Plan at 31 March 2023 (2022: 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 £123,813 (2022: £44,992) has been made in the year. Employer contributions totalling £8,982 (2022: £32,138) were payable to the pension fund at 31 March 2023 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 2023

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#### 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 5 active members of the scheme as at 31 March 2023 (2022: 4). Contributions rates were payable by the charity at 23% (2022: 23%) of pensionable salaries. Members also contributed on salary based sliding scale percentage as follows:

Actual Pensionable Salary	Contributions for 2022/23 (% of pensionable Salary)
Up to and including £29,187	7.2%
£29,188 to £39,290	8.7%
£39,291 to £46,586	9.7%
£46,587 to £61,742	10.4%
£61,743 to £84,193	11.5%
£84,194 and above	11.9%

The total STSS pension costs for the charity was £53,414 (2022: £44,992) and these contributions were made to their pension scheme during the year.

Employer contributions totalling £37,893 (2022: £32,138) were payable to the pension fund at 31 March 2023 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 378 active members of NEST at 31 March 2023 (2022: 355).

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 £227,302 (2022: £199,640) has been made in the year. Employer contributions totalling £20,150 (2022: £17,138) were payable to the pension fund at 31 March 2023 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 2023

#### 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:

	2023 £'000	2022 £'000
Within one year	39	46
Between one and five years	7	31
	<u>46</u>	<u>77</u>

Lease commitments are for buildings and vehicles. The lease expenditure charged to income and expenditure in the year was £64,000 (2022: £73,000).

#### 29 Capital commitments

At 31 March 2023 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:  
Acquisition of tangible non-current assets

	2023 £'000	2022 £'000
	<u>30</u>	<u>530</u>

#### 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 decreased during the year to £2,895k (2022: £3,154k).