



Scottish Council for Voluntary Organisations (SCIO)

Report and Financial Statements

Year ended 31 March 2021

Charity No: SC003558

**ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

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ANNUAL REPORT - FORWARD

It goes without saying that 2020/21 has been a year like no other – for the Scottish Council for Voluntary Organisations (SCVO), Scotland’s voluntary sector, indeed the world. The coronavirus pandemic has dominated everything we have done; it has brought many challenges but also some opportunities.

Having successfully transitioned to remote working, we continued to deliver high quality support to voluntary organisations from Lerwick to Stranraer. For example, our digital inclusion work, coronavirus information hub, and one-stop-shop funding hub have provided vital support to our members and the wider voluntary sector, attracting extremely positive feedback and high levels of engagement.

A highlight of the year was the Scottish Charity Awards, albeit in unusual circumstances. This year’s event took place entirely online and, while we missed the glitz and glamour of the traditional awards ceremony, we were able to replicate the event online and expanded the audience to over 5,000 attendees across eight countries. We had a record number of entries and look to surpass that in 2021 as we celebrate the amazing things charities, community groups and social enterprises have achieved in very challenging times.

Throughout this year, we have developed and enhanced important relationships. We are working closer than ever with third sector interfaces and other intermediary organisations, with independent funders, local authorities, and our sister organisations in the rest of the UK and Ireland. Our close partnership with Scottish Government provided opportunity to not only be an influential force in the pandemic response but also on policy development, funding, and legislation. We also worked with voluntary sector employers to support young people into employment, despite the restrictions.

Our Never More Needed campaign has spotlighted the contribution voluntary organisations are making on a daily basis, providing an open platform for sharing stories, successes, and issues. The sector has been recognised by politicians nationally and locally, by the private sector and by the public, as integral to the very fabric of Scottish society. SCVO is determined to build on that recognition and make sure that, as Scotland emerges into a period of recovery, the voluntary sector is in a good place and offers support, voice, and profile.

As new Scottish Ministers find their feet, we will be continuing to constructively challenge on behalf of our members, looking to turn rhetoric into reality. We have seen our membership increase, and our revised membership offer will continue to develop through the course of this year.

More challenges lie ahead but so far, we are weathering the storm and looking forward to the year ahead.



Andrew Burns, Convener

**TRUSTEES ANNUAL REPORT (incorporating the Strategic Report)
YEAR ENDED 31 MARCH 2021**

The Trustees present the annual report together with the audited financial statements for the year ending 31 March 2021.

ORGANISATION

The Scottish Council for Voluntary Organisations (SCVO) is a Scottish Charitable Incorporated Organisation recognised by the Scottish Charity Regulator (OSCR), registration number SC003558. It is governed by its constitution which was adopted on 3 July 2014 (updated 4 December 2019).

OBJECTIVES

SCVO is the national membership body for Scotland's voluntary sector. We are passionate about what the voluntary sector can achieve. Along with our 2,000+ members, we believe that charities, social enterprises, and voluntary groups make Scotland a better place.

We are committed to supporting Scotland's voluntary sector to achieve its ambitions.

ACTIVITIES AND ACHIEVEMENTS

This year, we continued to deliver against the ambitions of our Strategic Plan 2019-22. However, the coronavirus pandemic forced us to adapt our plans and our approach, and to revisit our priorities in an uncertain and constantly changing environment.

We switched to a remote working model at pace and, despite the challenges, did so with no disruption to any of our services. Our focus remained on supporting our members and the wider voluntary sector through the pandemic.

Coronavirus response

Our three main areas of response to the pandemic were: voice and representation; information, resources, and support; and support services.

Voice and representation

From the start of lockdown, we worked to give a strong voice and representation to the sector. To do this, we:

- ensured the sector's voice was heard in national discussions on the impact of coronavirus, the future we'd like to rebuild and what the voluntary sector needs to help contribute to the future - including the Social Renewal Advisory Board and Advisory Group on Economic Recovery
- worked with Scottish Government and independent grant-makers to create a Coronavirus Funding Hub offering a single entry-point to a range of emergency funds and information. At the same time, working with independent funders and third sector interfaces to try to ensure that funding being made available is co-ordinated,

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accessible and meets both the immediate and longer-term need of the sector and our communities

- worked with the Scottish Government and a wide range of partners to develop and deliver the Connecting Scotland initiative to bring devices, skills, and connectivity to 37,000 people across the country who are digitally excluded
- kept regular contact with our sister organisations across the UK and Ireland (NCVO, NICVA, The Wheel and WCVA), co-ordinating support to the sector nationally
- launched the #NeverMoreNeeded campaign to capture and highlight the impact of coronavirus on Scotland's voluntary sector and to stimulate debate about the sector's future
- liaised closely with Scottish Government regarding the impact of the pandemic on Community Jobs Scotland funding and joined with the Third Sector Employability Forum (TSEF) to set up a new third sector employability community online.

Information, resources, and support

We also provided practical information, resources, and support. We:

- created an online Coronavirus Hub with information and resources on areas including funding, running your organisation, governance, fundraising, volunteering and much more, attracting 850,000 visits across the year
- upscaled our activity on digital capacity building in the voluntary sector with a particular focus on digital services, digital inclusion, and remote working
- produced reports looking at the impact of the coronavirus on the voluntary sector in Scotland (updated quarterly) and the financial profile of the voluntary sector pre-coronavirus
- hosted a range of practical and discursive webinars for around 5,000 attendees including 40 Digishift zoom calls to talk about all things digital and 38 Open-door webinars where we discussed the big issues for organisations with key stakeholders and subject experts
- harnessed our digital development capacity to support other organisations to respond to the pandemic. For example, building the 'Scotland Cares' volunteer data entry form for Volunteer Scotland to allow people to sign up and offer time to support the pandemic response
- hosted 12 Community Jobs Scotland zoom sessions to support young people, staff, and employers.

Support services

And we responded quickly to flex and adapt our support services to meet people's changing needs:

- harnessed our Funding Scotland website and networks to share news of funding opportunities
- claimed £1.5m from the HMRC job retention scheme on behalf of our payroll clients

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- switched to publishing our monthly Third Force News (TFN) magazine in an e-magazine format and opened the TFN archive online
- supported 28 tenants from our shared office space and 33 managed IT clients with the challenges presented by lockdown and working from home
- supported employers advertising through Goodmoves to recruit quality candidates remotely
- launched an HR and Employment Support Service to help voluntary organisations manage the impact of the coronavirus pandemic and support best HR practice across the voluntary sector.

At the same time, we progressed critical organisational change projects. We:

- completed the membership review that we started in 2019/20 to update and streamline the value of our membership offer. Our members voted in support of a new membership fee structure in early 2021 and a new membership benefits package was devised for launch in April 2021
- carried out a review of our Information Service and our events, learning and training offer, producing recommendations for implementation in 2021/22
- completed a comprehensive brand refresh to make SCVO easier to understand and engage with, so our members and the wider sector can benefit from as much of what we offer as possible
- progressed with embedding an organisation-wide coaching approach, empowering staff to fulfil their potential. This included replacing formal annual appraisals with an informal Wellbeing Check-in to reflect the wellbeing challenges staff were facing working from home during a crisis
- completed a Job Evaluation and Pay Review – a key deliverable in our People Strategy.

Delivering our strategic aims

This was all achieved while progressing existing workplans to deliver against our three strategic pillars: support, promote and develop.

Our activities to **SUPPORT** a confident, sustainable voluntary sector in Scotland this year included:

- welcoming 261 new organisations to the SCVO membership community – 250 new members and 11 new supporters
- providing information – online, by email and by phone - on how to set up and run voluntary organisations, including tailored responses to around 1,800 complex enquiries
- delivering five events in Trustees Week and launching a new Trustees Network sponsored by Aberdeen Standard Capital
- producing our annual Third Force News Guide to running a charity or social enterprise, which focused on the changing nature of work and service delivery during the pandemic
- relaunching our online funding search, fundingscotland.com, with an improved search function and user experience

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- completely transforming our traditional in-person training programme into an online programme focusing on new and emerging learning and development needs arising from the pandemic. We ran 42 courses, via 64 online sessions to 478 learners, delivering over 2,100 hours of learning
- creating and filling 115 Community Jobs Scotland (CJS) jobs bringing total CJS jobs created to over 9,880. We also offered 268 extensions to jobs, to allow young people to benefit from the period they missed out on due to lockdown
- becoming a gateway organisation for the UK government's Kickstart scheme, working with 121 voluntary sector employers to create 501 jobs for young people, 143 of which were live by 31 March
- launching the Skills for Work portal in partnership with the Open University and the Scottish Local Authorities Economic Development group to give job seekers access to free training, supporting their work skills and career prospects
- advertising 3,194 jobs for 983 organisations on our recruitment website, goodmoves.com, and connecting 77,000 users with job opportunities every month
- processing payroll for over 400 organisations and their employees - the equivalent of almost 77,500 payslips
- delivering funding to the voluntary sector through our new Coronavirus Funding Hub – we partnered in the development and delivery of a £50 million Wellbeing Fund (small & large grants) and £45 million Communities and Third Sector Recovery Programme.

Our activities to **PROMOTE** a confident, sustainable voluntary sector in Scotland this year included:

- attracting 191 applications, 45 finalists for 8 awards, 31,000 votes for the People's Choice Awards, 5,000 viewers and messages of support from politicians and celebrities for our first ever online Scottish Charity Awards
- sharing important sector news online through Third Force News (TFN), with over a million visits to the website throughout the course of the year
- providing a platform to highlight voluntary sector success during Covid 19 with the #NeverMoreNeeded campaign, which generated 1.5 million Twitter impressions over a six-month period. More than 20% of social media content using the UK-wide hashtag was created in Scotland
- advocating on behalf of the sector to prevent changes to legislation that would have impacted on the use of charitable funds (and potential knock-on impact on fundraising) and the ability of charities to protect themselves against defamation.

In addition to pivoting our digital work to focus specifically on responding to the pandemic and challenges of lockdown, our activities to **DEVELOP** a confident, sustainable voluntary sector in Scotland this year also included:

- updating our Digital Check-up service, and introducing a new Cyber Security Check-up and Essential Digital Skills Check-up
- offering 'quick fix' emergency digital support service to 60 organisations
- hosting 6 Cyber Scotland Week events attended by 467 participants
- Mpower (supported by the European Union's INTERREG VA Programme, managed by the Special EU Programmes Board) – establishing a cross-border service for older

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people living with long-term conditions across Republic of Ireland, Northern Ireland, and Scotland. Supporting people to live well, safely, and independently in their own homes by self-managing their own health and care in the community

- SCOPE - Skills recognition, Capacity building and Professional Education for the third sector (funded by ERASMUS+) – completing the development of an innovative e-learning platform for small voluntary sector organisations covering the basics of governance, finance, fundraising, communications, and risk management.

Challenges

As the main backdrop to this year, the pandemic raised many challenges. This included:

- transforming to a remote, homeworking model with no notice and in a crisis
- coping with a surge in demand for certain areas of work – most notably, managing furlough processes in addition to our business-as-usual payroll service, responding to unprecedented demand for digital participation and evolution support, development of digital platforms, and delivery of a shared funding platform
- transforming the delivery models for all our events and training, including devising completely new programmes of events and training in response to sector needs
- closing our offices to tenants as well as staff, with ongoing uncertainty around when, and to what extent, we will be able to re-open
- financial pressure, as SCVO managed large drops of income in parts of the business, whilst financing pandemic initiatives
- and crucially, understanding and responding to the ongoing work and wellbeing needs of our staff.

FINANCIAL REVIEW

The monetary impact of the pandemic, both positive and negative, varied across SCVO's different activities; property and recruitment website income were down significantly due to the impact of coronavirus on activities. Unrestricted income for 2021 is £11,466,090 (2020: £14,506,638). Last years unrestricted income included property disposal proceeds and legacy income. After taking account of these, overall unrestricted income for this year is broadly the same as last year.

Restricted income at £53,513,401 (2020: £1,689,060) increased, being boosted by funding received for pandemic initiatives. This includes £49,067,795 for Scottish Governments Connecting Scotland project. As required by Financial Reporting Standard 102 income recognition rules, SCVO has recognised funding for the entire Connecting Scotland project in its 2020/2021 accounts. Unspent funding of £29,884,636 is held in restricted reserves (see note 13) to be spent on the project over the next two years.

Total turnover for 2020/21 is £64,979,491 (2020: £16,195,698). Income comes from a diverse mix of sources; trading such as Goodmoves, Payroll Services, Events, and Property Services; other grant funded programmes from Scottish Government, The National Lottery Community Fund, Employability funding and others. We receive a mix of unrestricted and restricted income, all of which is directed to fulfilling SCVO's strategic objectives.

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Included in expenditure of £31,776,708 is £6,833,733 (2020: £7,985,081) of onward funding that was passed directly to voluntary sector organisations.

This year we made a surplus of £33,202,783 (2020: £1,842,856). Unrestricted activities account for £322,186 (2020: £2,102,095) of this. There is a restricted surplus of £32,880,597 (2020: deficit £259,239), most of which will be spent as onward grants during 2021/22.

Tangible fixed assets of £5,416,032 (2020: £5,599,174) primarily consist of properties, which were financed by £2,155,956 (2020: £2,267,640) of bank loans. Net current assets were £35,218,656 (2020: £2,160,271), of which £2,680,312 (2020: £2,509,290) was available as general funds as shown in note 17.

Total unrestricted funds were £2,229,350 (2020: £1,907,164). This includes the long-term creditor for the pension recovery plan of £2,062,767 (2020: £2,239,079).

Funds employed stand at £36,375,923 (2020: £3,173,140) of which £34,146,571 (2020: £1,265,976) is of a restricted nature. The trustees in considering their ongoing commitments have designated in total £268,788 (2020: £416,055) as detailed in note 14 to the financial statements.

Designated funds have been established to:

- avoid the necessity of realising fixed assets held for the charity's use or selling investments at an inappropriate state of the market
- equate to the unrealised appreciation of the value of its investments
- equate to tangible assets, other than property, required by SCVO to run its operations.

GRANT-MAKING

SCVO has in the past year obtained grants from Scottish Government and other funders for the purpose of providing onward grants to voluntary sector organisations. The grant-making policy for these onward grants is determined by the body providing the grant funding.

RESERVES

The trustees regularly review reserves, using the Reserves Policy to support both the Financial Strategy and the Strategic Plan. We use a risk-based approach to calculate an optimal amount of reserves that looks at reliability of income, costs for re-organisation of activities, and specific liabilities. We also include amounts for risks we are aware of as well as contingencies to allow us to cope with unexpected costs and opportunities. We principally hold reserves to:

- protect the continuity of our work against uncertain future income streams
- provide the capital needed to finance investment in operations
- provide funds to replace assets
- to cover for specific liabilities and identifiable risks
- to allow us to respond to unexpected opportunities that can further our mission
- to allow us to meet contractual obligations

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The trustees have set optimal reserves at £3,058,501 (2020: £2,270,062) which equates to approximately three months unrestricted expenditure. As at 31 March 2021, the level of Free Reserves (defined as total general unrestricted funds, less tangible assets and excluding defined benefit pension obligations and long-term commitments) is less than optimal reserves at £2,680,310 (2020: £2,509,278).

The impact of COVID 19 on income during 2021/22 still presents a great deal of uncertainty, in particular in relation to SCVO's properties. SCVO has budgeted a small deficit for 2021/22 and if it is not possible to earn additional net income reserves may be drawn on. As part of the Strategic Resources Committees work, reserves and the reserves policy were reviewed in September 2020 but remain under scrutiny as part of monitoring of the impact of coronavirus on SCVO's income.

SCVO has designated reserves of £268,788 (2020: £416,055) and restricted reserves of £34,146,571 (2020: £1,265,976). The designated reserves are held to represent reserves that are not available for other activities since they have been used to purchase fixed assets and are not available unless the assets are disposed. Restricted reserves relate to income to be used in accordance with specific restrictions imposed by funders and therefore do not form part of general reserves.

The Reserves Policy is reviewed quarterly as part of our internal financial control systems.

RISK MANAGEMENT

SCVO is not a risk averse organisation. It recognises that to stay in the forefront of representing the sector's interests and developing services, calculated risks will need to be taken. The overall level of risk accepted may, if the risks materialise, lead to significant change and disruption in the organisation but should not place the organisation as a whole in jeopardy. The level of risk acceptable is considered against the benefit to the sector. High risk activities with little direct benefit to the sector are not to be undertaken even if there is a possibility of significant amounts of income generation.

SCVO operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks faced, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk; risk velocity is also considered when reviewing risks. Three key risks identified by the Trustees are:

Maintaining enough income - to maintain generation of unrestricted income SCVO is pursuing an asset-backed income strategy and investment in its services, development, and project work, while also looking to diversify income sources to reduce dependence on any single stream of money.

Reputational risk – to mitigate reputational risk SCVO invests in staff training, risk appraisal and evaluation. We also have systems in place to respond quickly to reputational risks that might arise.

Scottish Voluntary Sector Pension Scheme obligations - this is a difficult risk to mitigate due to the high cost of exiting SCVO's defined benefit obligations. To mitigate this risk SCVO engaged in a managed transfer exercise, the first part of which was completed in 2016/17. It

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mitigated some of the risk out of the scheme and along with a second phase in April 2017 reduced liabilities by approximately 18%. This risk mitigation exercise is a long-term strategy that will be built on if/when funding becomes available. Recent improvement in the funding level of the scheme has also helped to mitigate some of the risk of SVSPS membership.

PLANS FOR THE FUTURE

SCVO's three-year strategic plan covering 2019-22 will continue to guide our overall direction. The fallout from the coronavirus pandemic and the emerging needs of the voluntary sector in the aftermath will influence how we deliver against our strategy.

Anticipated activity in the next year includes:

- influencing the operating environment for Scottish voluntary organisations, with a particular focus on mitigating the impacts and challenges of coronavirus
- collating and sharing insight about the impact of coronavirus on the voluntary sector to influence emerging recovery and renewal strategies
- providing new and innovative information and learning opportunities to support the voluntary sector with their immediate and emerging needs
- delivering the Connecting Scotland programme to offer an internet connection, training and support, and a laptop or tablet to vulnerable people who are not already online
- claiming hundreds of thousands of pounds from HMRC's Job Retention Scheme on behalf of our Payroll Service clients who have furloughed employees
- working closely with Scottish Government, partners, and employers to ensure that the voluntary sector has a prominent place in the emerging employability landscape
- completing the review of our membership offer and launching a new, improved membership package.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

SCVO is governed by a Board of up to eleven trustees, six of whom are elected from member nominations, with five co-options to bring in additional skills and knowledge. Trustee training is available on an as-required basis in addition to induction training for new trustees. Development sessions to enhance trustees' knowledge of service areas have been organised throughout the year, and trustees have begun working through the Scottish Governance Code check-up to ensure SCVO complies with it, as we expect of our members.

Subcommittees

The Board has two subcommittees.

The **Strategic Resources Committee** is set up to give detailed scrutiny to funding, risk and control systems including, health and safety, human resources, property, ICT, and regulatory compliance. It reports directly to the Board, and over the year has worked on scrutinising and developing risk identification, reviewing our Cyber Security, GDPR controls, property strategy, financial regulations, financial strategy, and defined benefit pension obligations. It has also directed on Brexit contingency planning alongside examining internal and external controls and developing the relationship between operational planning and budgeting.

During 2020/21 the committee held additional meetings to discuss monthly financial forecasting and to monitor the financial impact of coronavirus on SCVO's operations.

The **Strategic Development Committee** supports the Board of Trustees in evaluating the implementation of our Strategic Plan and other matters related to strategic direction and business development. In particular, the committee has responsibility to review progress and advise on the review of membership and strategy to grow membership, review evaluation of the implementation of the new organisational strategy and impact measurement, and to review reports to monitor progress against SCVO's strategic objectives. The committee will also explore new opportunities and over the year has been reviewing our approach to business development

Senior Leadership Team

Day to day operation of SCVO is delegated to the Chief Executive and the senior leadership team. SCVO's current Chief Executive is Anna Fowlie. SCVO has a pay grading structure that covers all staff. Annual cost of living awards are made at the same rate across all pay grades.

CONTROLS

The Board of Trustees is the ultimate governing body of SCVO and is responsible for the organisation's system of internal financial controls. The system of controls aims to give the Board reasonable (but not total) assurance that issues are identified as they arise and are dealt with appropriately in an effective, timely manner.

The three main objectives of the control system are:

- to ensure that the SCVO continues to maintain proper accounting records
- to safeguard the organisation's assets from unauthorised disposal or use
- to ensure the integrity and reliability of financial and operational information used for decision making within the organisation and for external publication.

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SCVO's internal controls include:

- a strategic plan and an annual budget approved by the Trustees
- regular consideration by the Trustees of financial results, variance from budgets, non-financial and performance indicators, including regular updates from the evaluation framework
- delegation of authority and segregation of duties
- identification and management of risks.

AUDITOR

It is the Trustees' assessment that all necessary steps have been taken to ensure that the auditor has been made aware of all relevant audit information and as such there is no relevant audit information which the auditor has not been made aware of.

On 7 September 2020 Group Audit Services Limited trading as Scott-Moncrieff Audit Services changed their name to Azets Audit Services Limited. The name they practice under is Azets Audit Services

The appointed auditor Scott-Moncrieff tendered their resignation and were replaced by Azets Audit Services Limited. In April 2021 the audit engagement was put out to tender, with Chiene & Tait appointed as auditor from 2022 subject to a formal vote at AGM.

The Trustees would like to thank staff, members, and supporters of SCVO for all that has been achieved in a year that has seen some challenges and significant changes.

Approved on behalf of the Board of Trustees

A handwritten signature in blue ink that reads "Andrew Burns." The signature is written in a cursive style and is positioned above a thin horizontal line.

Andrew Burns (Convener)

Date: 5 October 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The trustees during the year and their date of election were as follows:

Rebecca Duff	Elected: 8 December 2016
Adam Lang	Elected: 8 December 2017, Re-elected: 2 December 2020
Andrew Burns (Convener)	Appointed: 11 January 2018
Sean Duffy	Appointed: 25 July 2018
Fiona Gillespie (Treasurer)	Appointed: 25 July 2018
Kenneth Pinkerton	Appointed: 25 July 2018
James Adams	Elected: 4 December 2019
Manish Joshi	Elected: 4 December 2019
Pauline Lunn	Elected: 4 December 2019
Theresa Shearer (Vice Convener)	Appointed: 4 December 2019
Brook Marshall	Resigned: 9 March 2021

Key Management Team

Chief Executive	Anna Fowlie
Strategic Director of Delivery	Tim Hencher
Strategic Director of Services	David McNeill

Registered Office

Mansfield Traquair Centre
15 Mansfield Place
Edinburgh
EH3 6BB

Bankers

SCVO's main bank accounts are held at:

The Royal Bank of Scotland plc
36 St. Andrew Square
Edinburgh
EH2 2AD

Auditor

Azets
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Charity Registration Number

SC003558

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees are required to prepare financial statements that 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 charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 and the Charities Account (Scotland) Regulations 2006 (as amended). 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

Opinion

We have audited the financial statements of Scottish Council for Voluntary Organisations for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the 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 charity's affairs as at 31 March 2021 and of 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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 audit 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 charity'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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the Statement of trustees' responsibilities set out on page 14, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected, and alleged fraud
- reviewing minutes of meetings of those charged with governance
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, 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 and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed

Azets Audit Services

Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Exchange Place, 3 Sempole Street

Edinburgh

EH3 8BL

Date: 5 October 2021

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021**

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		1,266,980	-	1,266,980	1,671,840	-	1,671,840
Charitable activities		10,196,423	53,513,401	63,709,824	12,826,496	1,689,060	14,515,556
Investments		2,687	-	2,687	8,302	-	8,302
Total	3	11,466,090	53,513,401	64,979,491	14,506,638	1,689,060	16,195,698
Expenditure on:							
Charitable activities:							
Services to the sector		3,502,607	241,689	3,744,296	4,214,941	354,402	4,569,343
Development and capacity build		2,998,585	20,391,115	23,389,700	2,177,517	1,592,910	3,770,427
Employment initiatives		4,642,712	-	4,642,712	6,012,085	987	6,013,072
Total	4	11,143,904	20,632,804	31,776,708	12,404,543	1,948,299	14,352,842
Net income/(expenditure)	7	322,186	32,880,597	33,202,783	2,102,095	(259,239)	1,842,856
Fund balances brought forward at 1 April							
		1,907,164	1,265,976	3,173,140	(194,931)	1,525,215	1,330,284
Fund balances carried forward at 31 March	17	2,229,350	34,146,573	36,375,923	1,907,164	1,265,976	3,173,140

All amounts relate to continuing activities.

The notes on pages 22 to 46 form part of these financial statements

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible assets	9	5,416,032	5,599,174
Current Assets			
Debtors	10	30,255,387	2,116,158
Cash at bank and in hand		7,274,077	3,200,883
		<u>37,529,464</u>	<u>5,317,041</u>
Creditors: amounts falling due within one year	11	<u>(2,310,808)</u>	<u>(3,156,770)</u>
Net current assets		<u>35,218,656</u>	<u>2,160,271</u>
Total assets less current liabilities		<u>40,634,688</u>	<u>7,759,445</u>
Creditors: amounts falling due after more than one year	12	<u>(2,195,998)</u>	<u>(2,347,226)</u>
Net assets excluding non-current pension liability		<u>38,438,690</u>	<u>5,412,219</u>
Pension liability	12	<u>(2,062,767)</u>	<u>(2,239,079)</u>
Total net assets		<u>36,375,923</u>	<u>3,173,140</u>
Funds employed:			
Restricted funds	13	34,146,573	1,265,976
Unrestricted funds			
Designated funds	14	268,788	416,055
Pension fund	15	(2,474,585)	(2,638,904)
General funds	16	4,435,147	4,130,013
Total funds	17	<u>36,375,923</u>	<u>3,173,140</u>

The financial statements were approved and authorised for issue by the board on 5 October 2021.

Signed on behalf of the Board of Trustees



Andrew Burns (Convener)

The notes on pages 22 to 46 form part of these financial statements

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021**

	2021	2020
	£	£
Cash flows from operating activities:		
Net income for the year	33,202,783	1,842,856
Adjustments for:		
Depreciation charges	272,375	257,337
Dividends, interest, and rents from investments	(2,687)	(8,302)
(Gain)/ loss on disposal of fixed assets	3,497	(1,290,794)
(increase) in debtors	(28,139,229)	(409,414)
(decrease) in creditors	(1,061,818)	(605,566)
Interest paid	55,984	75,108
Net cash provided used in/ by operating activities	4,330,905	(138,775)
Cash flows from investing activities:		
Dividends, interest, and rents from investments	2,687	8,302
Purchase of property, plant, and equipment	(92,728)	(295,330)
Proceeds from disposal of property, plant, and equipment	-	2,900,000
Net cash used in investing activities	(90,041)	2,612,972
Cash flows from financing activities:		
Repayments of borrowings	(111,686)	(1,289,590)
Interest paid	(55,984)	(75,108)
Net cash used in financing activities	(167,670)	(1,364,698)
Changes in cash and cash equivalents in the year	4,073,194	1,109,499
Cash and cash equivalents at the beginning of the year	3,200,883	2,091,384
Cash and cash equivalents at the end of the year	7,274,077	3,200,883

The notes on pages 22 to 46 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

1. Accounting policies

a) General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. They comprise the financial statements of Scottish Council for Voluntary Organisations.

SCVO is a Scottish Charitable Incorporated Organisation (SCIO). It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC003558. The address of the registered office and charity registration number are given on page 13. The principal activities of the charity are discussed in the trustees' report.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scottish Council for Voluntary Organisations meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

c) Going Concern

The Trustees have reviewed SCVO's financial position and consider that there are sufficient resources to manage any operational financial risks, and that it is reasonable to expect that SCVO will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

In mid-March 2020 SCVO reacted quickly and decisively to the growing Covid 19 pandemic with new ways of working, adapting to changing priorities, and taking on a key role in the distribution of Scottish Government grants to those in need. These are described in the foreword to the annual report.

From April onwards the finance department undertook a rigorous month to month programme of reforecasting income and costs, which were considered monthly by the Strategic Resources Committee and Board of Trustees. Initial forecasts were pessimistic, however improved throughout 2020/21.

- Goodmoves – recruitment activity dried up across all sectors in April 2020, leading to a very low initial reforecast in April. This picked up in May and the trend continued through the year with the final result exceeding expectations at roughly 80% of the 2019/20 figure
- property – the Covid 19 pandemic had a significant impact on property income. Social distancing restrictions meant there was no activity in the Mansfield Traquair Centre event spaces in 2020/21. SCVO is very grateful that so many tenants have chosen to stay during these difficult times
- other activities - SCVO responded quickly to the pandemic lockdown by undertaking new work on behalf of the Scottish Government, including Connecting Scotland, Community Wellbeing & Carers Remote Funding which have generated some income to offset shortfalls on other areas
- employability - CJS Phase 10 new placements were curtailed during the year due to the pandemic. New starts for the year were 115 (2019/20: 548) with remaining funding directed towards extending placements for 268 CJS participants that had not been able to use their work opportunities due to the coronavirus lock down. This led to increased complexities in running the CJS programme, but costs were contained withing the original budget
- SCVO hosts the annual Charity Awards and The Gathering- social restrictions meant we were unable to go ahead with these in the usual physical event format, instead we held a successful virtual event. The Charity Awards 2021 are being planned and we are hopeful of a blended approach.

We continue to focus on new income generating areas and synergies between existing streams. Development work continues on a new HR service, which has been awarded funding from the National Lottery Communities Fund. We also launched our Supply Partner Network in early 2021, which sees our Business Development team work closely with selected partners to benefit the sector.

Total funds at 31st March 2021 were £36,375,923, of which £2,229,350 was unrestricted. This strong financial foundation will enable us to continue building on our strengths and adapting to the changing operating environment through 2020/21 and beyond.

d) Income

Donations and Legacies - donations received in the year are charged to the Statement of Financial Activities when SCVO becomes entitled to the income, its receipt is probable, and the amount can be measured reliably. Donated goods and services are brought into the

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

accounts as income at their expected cost, or a reasonable estimate thereof, with an equivalent amount reflected under expenditure when the SCVO has control over the item.

Charitable activities - SCVO charges for services as part of its charitable activities and income is recognised on a receivable basis. Such income is included within income from charitable activities.

Income from grants - where related to performance and specific deliverables, is accounted for as SCVO earns the right to consideration by its performance.

Investment income - interest and investment income is included within the Statement of Financial Activities when receivable by SCVO.

Where grants are received specifically to provide for a fixed asset the income is recognised in the Statement of Financial Activities in the year of receipt. An amount equal to the grant is transferred to a designated fund which is then reduced over the useful economic life in line with the depreciation charged.

e) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Where costs cannot be directly attributed to activities, they have been allocated on a basis consistent with use of the resources.

Grant expenditure is recognised once the offer of grant has been accepted by the recipient.

f) Direct Costs

Direct costs are charged to the charitable activities and support costs have been allocated to all activities on the basis of the number of full-time equivalent staff working directly on an activity. Where a member of staff works on more than one activity the costs are allocated on the basis of time spent on each activity.

g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account.

h) Financial Instruments

SCVO only enters into basic financial instruments. Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

i) Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

j) Termination Benefits

Termination benefits are accrued by the charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees or their representatives.

k) Tangible Fixed Assets and Depreciation

Fixed assets are initially recorded at cost. Freehold land is not depreciated. Assets in the course of construction are not depreciated until the asset is fully completed and ready for use. Depreciation is provided on all completed assets that are capitalised. It is charged on a straight-line basis over the expected life of the asset after taking into account the estimated residual value. The following lives are assumed:

- Computer equipment – 3 to 5 years
- Fixtures and fittings – 5 to 10 years
- Leasehold improvements – 20 years (or term of lease if less)
- Freehold buildings – 50 years

l) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

m) Leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

SCVO rents desk and floor space under formal leases. The rental income is recognised within membership services on an accruals basis when the organisation is entitled to that income.

n) Pensions

SCVO contributes to an Aegon defined contributions pension arrangement for staff. The employer makes a maximum contribution of 9% of the employee's gross salary to the scheme. SCVO also runs a pension salary sacrifice scheme for its staff. SCVO makes additional contributions towards the Scottish Voluntary Sector Pension Scheme funding shortfall as required by the scheme's pension recovery plan. This fund is now closed to new

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

members and further accruals, or any further contributions from existing members. Further details on the defined benefit scheme can be found at note 19.

o) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of financial activities.

2. Judgement and estimates

The preparation of these financial statements has required the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts. The areas involving a degree of judgement significant to the view given by these statements are:

- actuarial assumptions in respect of the pension scheme. In making these assumptions, the trustees rely on figures provided by The Pension Trust. The assumptions are shown in note 19
- the useful economic lives of tangible fixed assets are assessed as to whether there are indicators of impairment. The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets which are re-assessed annually taking into account factors such as physical condition, maintenance, and obsolescence.

a) Recognition of Grant Revenue

Grant revenue is recognised when we have established entitlement, probable receipt, and reliable measurement. In practice, this is satisfied in most cases by the acceptance of a formal grant offer letter.

b) Recognition of grants payable

Grants payable are recognised once there is an obligation to make the payment, the payment is probable, and the payment can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3. Income

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income from donations and legacies			
Scottish Government Core Grant	1,082,034	-	1,082,034
Charities Aid Foundation	181,256	-	181,256
Donations	3,690	-	3,690
Income from charitable activities	1,266,980	-	1,266,980
 Scottish Government Grants			
• Health work	17,000	-	17,000
• Infrastructure	-	206,768	206,768
• Community Jobs Scotland	5,012,886	-	5,012,886
• Digital Participation	-	857,608	857,608
• Connecting Scotland *	529,750	49,067,795	49,597,545
• DIPDRD	-	2,000,000	2,000,000
• Carer's Remote	-	348,022	348,022
• Community Wellbeing	-	278,000	278,000
European Funding	2,061,387	8,814	2,070,201
Other Grant Income	83,423	484,173	567,596
The National Lottery Community Fund	-	231,708	231,708
Membership services	1,974,800	-	1,974,800
Other Earned Income	517,177	30,513	547,690
	10,196,423	53,513,401	63,709,824
 Income from investments	2,687	-	2,687
	11,466,090	53,513,401	64,979,491

* £529,750 unrestricted income is the element of administration and management costs that are attributable to SCVO for delivering the project.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3. Income (continued)

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income from donations and legacies			
Scottish Government Core Grant	925,000	-	925,000
Charities Aid Foundation	170,695	-	170,695
Donations	576,145	-	576,145
Income from charitable activities	1,671,840	-	1,671,840
 Scottish Government Grants:			
• Health work	10,000	273,595	283,595
• Infrastructure	-	283,915	283,915
• Carers Organisation	-	232,385	232,385
• Community Jobs Scotland	6,610,231	-	6,610,231
• Digital Participation	1,815	349,837	351,652
• Social Housing	-	99,929	99,929
• Saltire Awards	-	-	-
European Funding	1,643,685	45,229	1,688,914
Other Grant Income	50,020	184,629	234,649
The National Lottery Community Fund	-	201,159	201,159
Membership services	3,081,284	-	3,081,284
Other Earned Income	1,429,462	18,381	1,447,843
	12,826,497	1,689,059	14,515,556
 Income from investments	8,302	-	8,302
	14,506,638	1,689,060	16,195,698

4. Expenditure

	Activities undertaken £	Grant funding of activities £	Support costs (Note 5) £	2021 Total £
Charitable activities				
Services to the sector	3,166,293	(29,849)	607,852	3,744,296
Development and capacity build	20,468,482	2,569,583	351,635	23,389,700
Employment initiatives	258,061	4,294,000	90,651	4,642,712
	23,892,836	6,833,734	1,050,138	31,776,708

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

4. Expenditure (continued)

	Activities undertaken	Grant funding of activities	Support costs (Note 5)	2020 Total
	£	£	£	£
Charitable activities				
Services to the sector	3,686,496	158,939	723,908	4,569,343
Development and capacity build	1,231,288	2,221,900	317,239	3,770,427
Employment initiatives	306,419	5,604,242	102,411	6,013,072
	5,224,203	7,985,081	1,143,558	14,352,842

Services to the sector costs are further analysed below:

	2021 £	2020 £
Salaries and staff costs	2,603,302	2,904,808
Pension obligations	193,719	(66,103)
Onward grants	(29,849)	158,939
Office costs, depreciation, and bank interest	340,946	847,791
Support costs	636,171	723,908
	3,744,289	4,569,343

SCVO paid out Employment initiatives activity grants of £4,294,000. These payments were made to 314 separate organisations for delivery of Community Jobs Scotland. None of these grants are individually material and all are onward grants under the terms of the funding.

SCVO paid out Development and Capacity Building grants of £2,569,583 relating to five projects (European Funding £2,036,111, Digital Participation Grants (£49,433) Infrastructure (£23,117), Community Wellbeing £278,000, Williams Grant £25,000, Carers Remote £303,022). These payments were made to 292 separate organisations for delivery of these projects, none of these grants are individually material and all are onwads grants under the terms of funding.

SCVO paid out Services to the Sector grants of (£30,377) relating to Health Work. These payments were made to 17 different organisations. None of these grants are individually material and all are onwads grants under the terms of funding.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

5. Support Cost Allocation

	Accommodation £	Finance £	HR £	ICT £	Governance £	2021 Total £
Services to the sector	164,946	109,556	112,478	205,366	15,506	607,852
Development and capacity build	122,358	64,740	58,226	106,311	-	351,635
Employment Initiatives	31,544	16,690	15,010	27,407	-	90,651
	318,848	190,987	185,714	339,084	15,506	1,050,138

	Accommodation £	Finance £	HR £	ICT £	Governance £	2020 Total £
Services to the sector	190,635	155,806	129,740	224,447	23,280	723,908
Development and capacity build	110,015	69,590	50,416	87,218	-	317,239
Employment Initiatives	35,636	22,425	16,246	28,104	-	102,411
	336,286	247,821	196,402	339,769	23,280	1,143,558

Support costs are apportioned to charitable activities based on staff numbers and level of activity.

6. Staff Costs

	2021 £	2020 £
Salaries	3,142,380	2,985,914
Termination payments (redundancies)	-	340,013
Social security costs	308,653	289,842
Other pension costs	446,365	453,464
	3,897,398	4,069,233

The average monthly number of employees during the year was 96 (2020: 97).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

6. Staff Costs (continued)

Key Management Remuneration

Key management include those individuals who have authority and responsibility for planning, directing, and controlling the activities of the charity. The key management personnel of the charity are listed on 12. The total remuneration paid for services (including employer pension contributions) was £327,502 (2020: £553,869).

The numbers of staff whose emoluments, including termination payments, for the year fell in the following bands were:

	2021 Number	2020 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	3
£80,001- £90,000	2	-
£90,001- £100,000	-	2
£100,001- £110,000	1	2
£110,001- £120,000	-	-
£120,001- £130,000	-	1

7. Net income for the year

Net income is stated after charging:

	2021 £	2020 £
Depreciation	272,375	257,337
Auditor's remuneration - statutory audit services	15,180	16,200
Indemnity insurance	4,482	4,482
Operating lease rentals - equipment	21,146	36,020
- property	11,750	11,750

8. Related party transactions

Trustees are reimbursed for expenses incurred on travel and subsistence in the performance of their duties. Reimbursements to Trustees amounted to £nil (2020: £1,075). No remuneration was received by Trustees in 2021 (2020: £nil).

During 2020/21 there were no payments to related parties.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021
9. Fixed Assets

Tangible Assets	Land & Buildings £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2020	6,909,122	597,485	637,092	8,143,699
Additions during year	-	78,979	13,749	92,728
Disposals	-	(255,701)	-	(255,701)
At 31 March 2021	6,909,122	420,762	650,842	7,980,726
Depreciation				
At 1 April 2020	1,654,624	468,591	421,310	2,544,525
Charge for year	124,304	74,823	73,248	272,375
Eliminated on disposal	-	(252,206)	-	(252,206)
At 31 March 2021	1,778,928	291,208	494,558	2,564,694
Net book amount				
At 31 March 2021	5,130,193	129,554	156,284	5,416,032
At 31 March 2020	5,254,497	128,894	215,783	5,599,174

Included within Land and Buildings is land with a cost of £1,452,540 (2020: £1,452,540), that has not been depreciated and leasehold improvements with a net book value of £21,531 (2020: £38,195).

10. Debtors

	2021 £	2020 £
Due within 1 year:		
Outstanding grants	29,168,255	103,598
Prepayments	21,899	42,732
Other debtors	1,065,233	1,969,828
	<u>30,255,387</u>	<u>2,116,158</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	112,104	109,064
Accruals	423,638	489,178
Deferred income	917,765	1,215,364
Other taxes and social security costs	168,218	168,652
Pension costs	81,458	81,085
Other creditors	195,809	693,602
Pension recovery plan	411,816	399,825
	<hr/> 2,310,808	<hr/> 3,156,770
Deferred Income		
Opening balance	1,215,364	873,180
Released in year	(1,329,078)	(590,192)
Deferred income for year	<hr/> 1,031,479	<hr/> 932,376
	<hr/> 917,765	<hr/> 1,215,364

Deferred income relates to the advance element of the CJS payments that has carried over to the next financial period.

The bank loans are secured on Brunswick House, Fairways House, and Edward House. There are two loans, both repayable in instalments; both loan terms are for 10 years.

Loan repayments on one loan commenced in August 2012. Interest is repayable on this loan at a rate of 1.5% above the bank's base rate, subject to a minimum charge of 2.5% per annum.

Loan repayments on the final loan commenced in August 2016. Interest is payable on this loan at rate of 2.5% above the bank's base rate, subject to a minimum charge of 3.5% per annum.

12. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans		
Due 2-5 years	479,570	466,913
Due after 5 years	1,564,282	1,691,663
Pension costs	152,146	188,650
	<hr/> 2,195,998	<hr/> 2,347,226
Pension Recovery Plan	<hr/> 2,062,767	<hr/> 2,239,079
	<hr/> 4,258,765	<hr/> 4,586,305

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021
13. Restricted Funds

The restricted funds relate to specific projects. Where the funding is in the form of a government grant, the nature and amount of the grant is disclosed below.

Restricted Funds: movements in the year

	1 April 2020	Income	Expenditure	31 March 2021
	£	£	£	£
Capital Grants	1,215,170	-	(18,759)	1,196,411
Poverty and Health Work	-	-	-	-
European Funding	5,891	8,713	(14,607)	-
Digital Participation	-	872,908	(212,908)	660,000
Big Lottery Fund	31,825	27,652	(59,474)	-
Milo	-	140,000	(140,000)	-
Carers Organisation	-	-	-	-
Social Housing	-	-	-	-
Open Government	-	-	-	-
Cyber Resilience	13,090	47,628	(29,338)	31,380
CAST	-	103,400	(103,400)	-
ESIF	-	101	(101)	-
Mpower	-	128,314	(128,314)	-
HR Employment Support NLCF	-	204,056	(79,910)	124,146
Carers Remote	-	348,022	(348,022)	-
Connecting Scotland	-	43,463,998	(17,496,431)	25,967,567
Connecting Scotland- Winter Support	-	4,168,750	(1,124,660)	3,044,090
Connecting Scotland- Care Homes	-	1,435,047	(562,068)	872,979
DIPDRD	-	2,000,000	-	2,000,000
Social Action Enquiry	-	50,000	-	50,000
Longitudinal Research	-	49,999	-	49,999
ELHF Connecting People	-	161,813	(11,813)	150,000
Community Wellbeing	-	278,000	(278,000)	-
William Grant Foundation	-	25,000	(25,000)	-
Total	1,265,976	53,513,401	(20,632,804)	34,146,573

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

13. Restricted Funds (continued)

Restricted Funds: movements in the prior year

	1 April 2019	Income	Expenditure	31 March 2020
	£	£	£	£
Capital Grants	1,233,929	-	(18,759)	1,215,170
Poverty and Health Work	(84,900)	273,596	(188,696)	-
European Funding	5,970	17,435	(17,514)	5,891
Digital Participation	200,635	327,608	(528,243)	-
Big Lottery Fund	72,729	236,738	(277,643)	31,825
Milo	-	148,056	(148,056)	-
Carers Organisation	3,914	232,385	(236,299)	-
Social Housing	92,938	99,929	(192,867)	-
Open Government	-	-	-	-
Cyber Resilience	-	217,859	(204,769)	13,090
CAST	-	5,031	(5,031)	-
ESIF	-	27,794	(27,794)	-
Mpower	-	102,629	(102,629)	-
Total	1,525,215	1,689,060	(1,948,299)	1,265,976

Capital Grants- represents grants received to support the purchase and equipping of the voluntary sector centre in Inverness, less amounts released to unrestricted funds to match the depreciation.

Poverty and Health Work - this is a Scottish Government grant to increase the capacity and resilience of communities and local third sector organisations to provide support and skills required to mitigate the effects of welfare reform and poverty. This grant also continues the work of Building Healthy Communities Initiatives.

European Funding - relates to YVDS Erasmus, SCOPE and FPSE work programmes.

Digital Participation - Scottish Government initiative aimed at increasing the rates of digital participation and growing the digital capability of the voluntary sector in Scotland.

Big Lottery Fund- One Digital - this relates to the project testing the importance of digital skills and identifying an approach to grow these.

Milo - work that SCVO does on behalf of the third sector in Scotland, we provide a data management and reporting platform known as Milo that is used by Scotland's Third Sector Interfaces (TSIs). Milo is funded by the Scottish Government.

Carers Organisation - Scottish Government funding to develop local capacity through improvements to systems and technology, rather than direct delivery or support to carers.

Social Housing – a Scottish Government funded project to increase digital participation in the social housing sector.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

13. Restricted Funds (continued)

Open Government - the Open Government Pioneers Project, an initiative taking place across the whole of the UK, funded by The National Lottery Community Fund to build the capacity of citizens and civil society to use open government methods to secure progress towards the UN Sustainable Development Goals (SDGs).

Cyber Resilience - The project is funded by Scottish Enterprise and Scottish Government. Its aim is to help organisations in the third sector to improve their cyber security and robustness

CAST- funded by Centre for Acceleration of Social Technology

Mpower- a five year project supported by European Union's VAT programme, creating a cross border service between Scotland, Northern Ireland, and the Republic of Ireland.

HR Employment Support- funded by **National Lottery Community Fund**, this project aims to develop a sustainable Human Resources and Employment Support Service for voluntary organisations across Scotland

Connecting Scotland- aimed at providing devices and network connections for up to 60,000 people on low incomes who are considered at high risk, allowing them to access services and support, and to connect with friends and family during the pandemic. This included a first phase targeting shielding and clinically vulnerable people, followed by a second phase targeting families and young people leaving care in the autumn.

A **Winter Support** round of Connecting Scotland was launched in December to older and disabled people at risk of social isolation and loneliness.

A dedicated strand of Connecting Scotland programme was also set up in November 2020 to help with internet connectivity for shared use in all of Scotland's **Care Homes**, together with digital training for staff.

DIPDRD- the Digital Inclusion for Supporting the Prevention of Drug Related Deaths Programme aims to provide greater access to digital solutions that keep people at increased risk of drug related deaths safe and connected to support services

Carers Remote Fund- helped organisations working with carers to get online and support digital connectedness in the emergency phases of the pandemic.

Social Action Inquiry- a multi-partner project, aimed at understanding the value of Social Action and its power to effect change in Scottish communities

Longitudinal Research- The Scottish Third Sector Tracker is an 18-month longitudinal panel study with 800 third sector organisations across Scotland. The Tracker is managed by DJS Research and SCVO, in partnership with the Scottish Government and independent funders.

ELHF Connecting People - Edinburgh and Lothians Health Foundation Connecting Communities is a digital inclusion programme aimed at addressing digital and social exclusion. The programme will distribute small grants of up to £5,000 to support

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

organisations address the digital exclusion experienced by the people in their local communities.

Community Wellbeing- The Scottish Government's Wellbeing Fund is part of a £350m support package for the sector as a response to the Coronavirus pandemic. The Wellbeing Fund will support charities, voluntary organisations, and social enterprises across the third sector who are taking national and local action to reach the most vulnerable groups, through increased work or new services.

William Grant Foundation - a rapid response fund for regranting to voluntary sector organisations to assist with the expense of purchasing digital equipment or related costs that will enable them to adapt their ways of working in response to the restrictions created by the coronavirus epidemic.

14. Designated Funds

	2021 £	2020 £
Balance at 1 April	416,055	277,930
Transfer from general funds	(147,267)	138,125
Balance at 31 March	268,788	416,055

Other Tangible Assets Reserve

This reserve has been created to represent the reserves that are not available for other activities since they have been used to purchase fixed assets. The transfer from general funds represents the depreciation charge for the year.

15. Pension Fund

	2021 £	2020 £
Balance at 1 April	(2,638,904)	(3,052,516)
Movement in defined benefit obligation	-	-
Transfer from general funds	164,321	413,612
Balance at 31 March	(2,474,583)	(2,638,904)

16. General Funds

	2021 £	2020 £
Balance at 1 April	4,130,013	2,579,655
Net income for year	322,186	2,102,095
Transfer to designated funds	147,269	(138,125)
Transfer to pension fund	(164,321)	(413,612)
Balance at 31 March	4,435,147	4,130,013

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

17. Analysis of Net Assets between Funds

	Restricted Funds £	Designated Funds £	Pension Fund £	General Funds £	2021 Total £
31 March 2021					
Tangible fixed assets	1,196,411	268,788	-	3,950,833	5,416,032
Net current assets	32,950,162	-	(411,816)	2,680,310	35,218,656
Long-term liabilities	-	-	(2,062,769)	(2,195,996)	(4,258,765)
	34,146,573	268,788	(2,474,585)	4,435,147	36,375,923

	Restricted Funds £	Designated Funds £	Pension Fund £	General Funds £	2020 Total £
31 March 2020					
Tangible fixed assets	1,215,170	416,055	-	3,967,949	5,599,174
Net current assets	50,806	-	(399,825)	2,509,290	2,160,271
Long-term liabilities	-	-	(2,239,079)	(2,347,266)	(4,856,305)
	1,265,976	416,055	(2,638,904)	4,130,013	3,173,140

18. Administered Funds

These are funds administered by SCVO on behalf of a number of organisations. In accordance with the SORP they have not been included in the main financial statements but are as follows:

	2021	2020
Current assets		
Cash at bank and in hand	2,863	2,841
Creditors: amounts falling due within one year		
Covenant and gift aid funds	715	715
Other funds	2,148	2,126
	2,863	2,841
Total assets less liabilities	-	-

Total income administered during the year amounted to £nil (2020: £nil) and disbursements totalled £nil (2020: £8,971).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

19. Pension Commitments

SCVO participates in two multi-employer Defined Benefit pension schemes.

Scottish Voluntary Sector Pension Scheme

SCVO participates in the Scottish Voluntary Sector Pension Scheme, a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for SCVO to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man-standing arrangement'. Therefore, SCVO is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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

Deficit contributions

From 1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each year on 1 st April)
From 1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each year on 1 st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

19. Pension Commitments (continued)

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

Deficit contributions

From 1 April 2016 to 31 October 2029:	£1,323,116 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2031:	£292,376 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2031:	£37,475 per annum (payable monthly)

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2021 (£000s)	31 March 2020 (£000s)	31 March 2019 (£000s)
Present value of provision	2,397	2,547	2,942

Reconciliation of opening and closing provision

	Period Ending 31 March 2021 (£000s)	Period Ending 31 March 2020 (£000s)
Provision at start of period	2,547	2,942
Unwinding of the discount factor (interest expense)	61	40
Deficit contribution paid	(339)	(329)
Remeasurements - impact of any change in assumptions	128	(106)
Provision at end of period	2,397	2,547

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

19. Pension Commitments (continued)**Income and expenditure impact**

	Period Ending 31 March 2021 (£000s)	Period Ending 31 March 2020 (£000s)
Interest expense	61	40
Remeasurements – impact of any change in assumptions	128	(106)

Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.86	2.57	1.46

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the scvo and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2021 (£000s)	31 March 2020 (£000s)	31 March 2019 (£000s)
Year 1	349	339	329
Year 2	359	349	339
Year 3	370	359	349
Year 4	381	370	359
Year 5	393	381	370
Year 6	405	393	381
Year 7	208	405	393
Year 8	-	208	405
Year 9	-	-	208

SCVO must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e., the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive SCVO's balance sheet liability.

NOTES TO THE FINANCIAL STATEMENTS
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19. Pension Commitments (continued)

SCVO has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated employer debt for SCVO was £10,841,730 (September 2019: £13,631,391).

The Growth Plan

SCVO also participates in The Growth Plan, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the SCVO to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The scheme is classified as a 'last-man standing arrangement'. Therefore, SCVO is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

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19. Pension Commitments (continued)

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2021	31 March 2020	31 March 2019
	£	£	£
Present value of provision	77,569	91,908	111,943

Reconciliation of opening and closing provisions

	Period Ending 31 March 2021 £	Period Ending 31 March 2020 £
Provision at start of period	91,908	111,493
Unwinding of the discount factor (interest expense)	2,066	1,411
Deficit contribution paid	(19,058)	(18,503)
Remeasurements - impact of any change in assumptions	2,653	(2,493)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	77,569	91,908

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**19. Pension Commitments (continued)****Income and expenditure impact**

	Period Ending 31 March 2021 £	Period Ending 31 March 2020 £
Interest expense	2,066	1,411
Remeasurements – impact of any change in assumptions	2,653	(2,493)

Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between SCVO and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2021 £	31 March 2020 £	31 March 2019 £
Year 1	19,629	19,058	18,503
Year 2	20,218	19,629	19,058
Year 3	20,825	20,218	19,629
Year 4	17,875	20,825	20,218
Year 5	-	17,875	20,825
Year 6	-	-	17,875

SCVO must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e., the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the SCVO's balance sheet liability.

SCVO has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated employer debt for SCVO was £155,574.99 (September 2019: £167,358.62).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

20. Leasing Commitments

The total future minimum lease payments under non-cancellable operating leases

	Buildings		Office Equipment	
	2021	2020	2021	2020
	£	£	£	£
Falling due				
- within 1 year	11,750	11,750	14,644	25,320
- in 1 to 5 years	21,146	26,438	23,435	32,751
- more than 5 years	-	-	-	-
	32,896	38,188	38,079	58,071

21. Lessor Income

The total future minimum rental income under operating leases

	2021	2020
	£	£
Expiring within 1 year	85,439	147,040

22. Analysis of net debt

	At 1 April 2020	Cashflows	Other non- cash changes	At 31 March 2021
	£	£	£	£
Cash & cash equivalents				
Cash	3,200,882	4,073,195	-	7,274,077
	3,200,882	4,073,195	-	7,274,077
Borrowings				
Debt due within one year	(109,064)	(3,040)	-	(112,104)
Debt due after one year	(2,158,576)	114,724	-	(2,043,852)
	(2,267,640)	111,684	-	(2,155,956)
Total	933,242	4,184,879	-	5,118,121

NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of net debt (continued)

	At 1 April 2019	Cashflows	Other non- cash changes	At 31 March 2020
	£	£	£	£
Cash & cash equivalents				
Cash	2,091,384	1,109,498	-	3,200,882
	2,091,384	1,109,498	-	3,200,882
Borrowings				
Debt due within one year	(148,187)	39,123	-	(109,064)
Debt due after one year	(3,387,693)	1,229,117	-	(2,158,576)
	(3,535,880)	1,268,240	-	(2,267,640)
Total	(1,444,496)	2,377,738	-	933,242