

Company Registration No. 1435877
Charity Registration No. SC039171 (Scotland)
Charity Registration No. 291222 (England & Wales]

Volunteering Matters

**Annual report and financial statements
for the year ended 31 March 2022**

Volunteering Matters

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Volunteering Matters

About us

President	Lord Freud
Trustees	Anne Heal Andrew Hudson Simon Judge Julie Kirkbride Katrina Lambert Patrick Luong Sue Maskrey Zara Todd Martin Fleming (Appointed 1 April 2021) Craig Hamilton (Appointed 1 April 2021) Julie-Anne Jamieson (Appointed 1 April 2021) Pru Whitwell (Appointed 1 April 2021) Emmanuel Ayoola (Resigned 1 September 2022) Peter Bailey (Resigned 1 April 2021) Katerina Rudiger (Resigned 1 April 2021) David Wilkinson (Resigned 1 April 2021) Iona Wyn (Resigned 1 April 2021)
Company Registration No.	1435877
Charity Registration No.	SC039171 (Scotland)
Charity Registration No.	291222 (England & Wales)
Company Secretary	Paul Reddish
Principal Address	Volunteering Matters The Levy Centre 18-24 Lower Clapton Road London E5 0PD
Independent Auditor	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA

Volunteering Matters

Chair of Council Report

The last few years have brought many challenges for charities across the UK and I am proud to say that Volunteering Matters continue to draw on the resilience and creativity that we saw during Covid-19. Although we are seeing further headwinds in the form of the cost of living crisis and recession in the aftermath of the pandemic, the charity is continuing to adapt to these ongoing challenges.

The projects that were moved online through necessity during lockdown are still delivering fantastic outcomes for the people we support. Sometimes they have continued remotely but many have been able to go back to being held in-person, such as Sporting Chance. It is good to be able to work in a variety of ways to achieve the impact that is so important for the communities we work with.

The creative thinking of delivery staff has meant that completely different projects are being linked together to achieve our goals. For example, Volunteering Works (rebranded from Employee Volunteering in May 2022) have teamed up with our Wales-based projects which help people enter employment, education and training. Employee volunteers supported participants through online workshops, collaborating to meet the goals of both projects and achieve an effective outcome.

Following the merger between Volunteering Matters and Project Scotland in 2021, we continue to develop our family of brands, united in our shared goals, drive and passion and embracing both our similarities and differences to maximise our impact and support even more people.

The charity has continued to build Equality, Diversity and Inclusion into our everyday work. Training opportunities and weekly blogs are shared regularly, with this work ongoing. Ever more staff members and volunteers are actively engaging in EDI conversations, and we have grown the reach of our programmes by ensuring we are inclusive and listening and responding to the voices of the people we work with and their community.

A focus on showcasing our impact has continued, with project staff empowered to create their own impact reports, enabling us to demonstrate clearly exactly what we have achieved.

I would like to thank everyone at Volunteering Matters, both staff and volunteers, for everything they have done in another challenging year, but one where we have continued to make a real difference in the communities we support and serve. My thanks also go to our Trustees, and to our President, Lord Freud.



Anne Heal
Chair of Trustees
10 February 2023

Volunteering Matters

Chief Executive's Report

If I've learnt anything over the past 12 months, it's that there are only two certainties. The first is that we simply cannot predict what's going to be just around the corner, and what our response as a sector might need to be as a result in that.

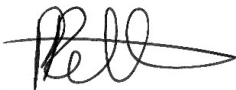
Our mission to stand alongside people and support them, through their volunteering, to help solve some of society's long standing problems, remains steadfast. How we do that is in a constant state of flux, as we tackle one emergency after another. From COVID, to the war on Ukraine and rising numbers of refugees seeking asylum due to the dire situation in other countries around the world, to support for a strained health service, the needs in so many settings continue to grow – and the role of those willing to give up their time to support these growing crises also grows as statutory services struggle to respond.

I am incredibly proud of the team of staff and volunteers who have embraced all of these challenges, on top of delivering the more long term systemic programmes, such as support for young people leaving care, working with families in crisis and ensuring our older people have a purpose and friendships within communities.

One of the things I've been so inspired by since starting this role is the ability of our people to innovate, be proactive and find ways of supporting people that reflect the conditions in front of them. COVID tested our ability to do this, and the team connected with Volunteering Matters passed that test with flying colours. We know that such learning will serve us well as we move into a new phase of challenges to overcome as a country.

As we grapple all of this with the added complication of sharp rises in inflation and pressure on public spending, the charity sector is entering a perfect storm of increased need and reduced public funding. The support of communities and volunteers to get us through these challenging times will be needed more than ever. We will do all we can to stand alongside those who wish to support us in these times.

A huge thank you to all the staff and volunteers who continue to put so much time and energy into selflessly supporting those around them. The second certainty we all have in this is that whatever this country faces next, you will be hugely important in making the lives of those impacted that little bit better.



Paul Reddish
Chief Executive
10 February 2023

Volunteering Matters

Trustees' Report

We are pleased to present our Trustees report including the Strategic Report for the year ended 31st March 2022.

Our Aims and Objectives

At Volunteering Matters, we bring people together to overcome some of society's most complex issues through the power of volunteering. This builds stronger communities and enables everyone to thrive.

We work with local partners, turning local knowledge and energy into action and progress.

We work with volunteers to make a real difference on the issues they care about, from immediate responses to fostering long term change. We enable volunteers to use their local knowledge and life experiences and collectively we tackle complex issues.

In line with our overall strategy our projects support one or more of these areas:

- Reducing social isolation and loneliness
- Improving mental and physical health
- Building skills, confidence and opportunity
- Ensuring young people can lead change

Project Scotland formally became part of Volunteering Matters, by acquisition, in April 2021 and the work of this organisation continues as before.

Our Impact

In 2021-22 we focussed on embedding Impact culture across the organisation, using the skills within the core of the organisation to devolve impact into the hands of those that know it best - our volunteers and delivery teams. This has seen a number of place-based impact reports produced for projects that range greatly in their size, scope, issues and geographies. Alongside this we have been able to again produce an overarching organisational Impact Report, highlights from which are detailed below.

We have continued to build our Impact infrastructure, building and implementing our Impact Tracker across our mentoring services, which has helped see those grow over the financial year.

As part of the co-ordination of the #iwill Movement, we have supported young people to build their nationwide Evidence and Insights picture into the value of Youth Social Action across the UK. This has seen #iwill become part of the National Youth Guarantee for the UK Government.

Key Statistics

- Across England, Scotland and Wales, 9,412 volunteers supported 22,634 people.
- Our volunteers led change in over 50 local communities, building on strong local partnerships.
- 474 volunteers from our Retired and Senior Volunteers Programme supported 3,933 people.
- 6,345 young people benefitted from the support of volunteers through our award-winning mentoring and befriending projects. Our volunteers consistently helped young people transform their lives – leading their own change.

Our Place-based approach

At Volunteering Matters, we believe that communities have the power, knowledge and energy to improve themselves from within and that we are most effective when we work with people, not on their behalf – and we achieve this with local partners. Examples of the place-based approach are highlighted below.

Volunteering Matters

Trustees' Report

In Suffolk, our Youth Social Action (YSA) team, at Volunteering Matters continued to work with over 20 schools and colleges across the whole of the county. The 12-week Young Ambassador programme funded by Suffolk County Council has witnessed the social mobility of over 300 young people aged 10 to 19, leading their own youth social action programmes and “giving students a lot of confidence on how to be a good leader and how to really make a difference in their school or community” – Inclusion Manager, at local primary school. In July 2022, our YSA group “I RISE” which includes 10 young people aged 17-20, organised and led a Youth Conference at Suffolk University. Young people from across Suffolk were invited to not only showcase their YSA programme but to also attend various workshops on the themes presented by I RISE and ongoing youth consultations. Workshops included various subjects such as Activism, strive not Survive, Unconscious Bias and Health and well-being. By the end of the conference, all young people were faced with the challenging task of distributing their funding across the workshop topics which they believe need to be practical and easily accessible to other young people.

Through Project Scotland, young people across Scotland are supported to ‘get on in life’ through volunteering. We are passionate about empowering young people to develop their skills, confidence and aspirations through volunteering in their local communities, enabling them to move into employment, education, training or to achieve wider life goals. Through the National Young Person’s Guarantee (YPG) commitment, Project Scotland have continued to develop their work, providing young people aged 16 to 24 not currently in employment, education or training, with individualized opportunities to progress, based on their personal circumstances and ambitions. There is a real focus on those facing significant barriers including young people from black and minority ethnicities, those with care experience, recent criminal convictions, and young parents. In 2021/2022, Project Scotland worked with 150 young people across four local authorities to create individual development plans, geared toward barrier removal, and providing volunteering, mentoring, training, learning and development opportunities, ultimately boosting their employability and chances of gaining sustainable and fair employment. The impact and learning of this work allowed us to develop our model and expand the work further to new local authorities (including Aberdeenshire) by the end of the year.

Retired and Senior Volunteer Projects (RSVP) have once again been active in their local communities. This includes Norfolk Knitters and Stitchers, with 132 groups of volunteers across the county, whose members knit and sew exclusively for charities and others in need of help. To support their local community, the knitters created “warm bags” containing items including hot water bottles, blankets and knitted socks. The first batch were snapped up within 90 minutes after being offered for free at a community centre. Since then, many more have been distributed through local charities and religious centres.

National Programmes with a Local Focus

Grandmentors

This year, Grandmentors operated across 11 communities. 364 mentors were recruited and trained, with 289 mentees supported. Another project recently started, making the total 12.

Grandmentors is an intergenerational mentoring project for care-experienced young people. This group of young people are amongst the strongest and most resilient in any community. Through the skill of mentoring, care experienced young people are supported to be autonomous, capable, and empowered adults. Through the programme, the young people set their own goals, and outcomes are closely tracked, often focusing on housing, finance, employment, education, training, health, and wellbeing. There is also flexibility as priorities may shift and change over time for the young person.

The Grandmentors programme provides a true place-based approach. Mentors and mentees often become more active in their own local community. This year, Milton Keynes Gallery hosted an event to showcase quilts made by the young people in Grandmentors taking part in the Transitional Belonging project. The evening gave the participants the chance to showcase their finished work to friends, family, and members of the art community in Milton Keynes. In Ipswich, our Grandmentors were present in Morrisons to gain support for the Orwell Challenge, and sign-up volunteer mentors.

Family Mentors and Family Supporters

Volunteering Matters has been engaging with families involved with social services for over ten years. Volunteers are trained and supported by staff, before providing tailored weekly support to the family, empowering the family to be self-sufficient, de-escalated from their child protection plans and reach goals set by the families. Family Mentors provided support in Southend, Greenwich and Waltham Forest, with Family Supporters operating in Edinburgh.

Volunteering Matters

Trustees' Report

In the last year in the four areas we operate in, 416 volunteers were recruited and trained, with 1114 family members being supported with housing, finance, education, employment, health and wellbeing.

National Partnership Working

The Vision for Volunteering

Over the past year, charities, volunteers, public bodies and the private sector came together to create a Vision for Volunteering. The Vision outlines what's needed to ensure volunteering can continue to make a big impact for the next decade – and beyond. Hundreds of people and organisations contributed to the Vision through workshops, interviews and submitting evidence.

The 10-year strategy has been led by five partner organisations; Volunteering Matters, National Council for Voluntary Organisations (NCVO), Association of Volunteer Managers (AVM), National Association for Voluntary and Community Action (NAVCA) and Sport England.

The result, the Vision for Volunteering, sets out principles for a diverse, innovative, sustainable, ambitious and person-centred future for volunteering in England. The Vision was launched to a huge fanfare in May 2022 at the Volunteer Expo Live, Birmingham NEC. #iwill Young Ambassadors led the inspiring launch event, demonstrating the Vision's principles in action.

Awards

This was another year where Volunteering Matters received many awards and extensive external acknowledgements, including:

- National Children and Young People Awards.
- The Leaving Care Award Winners - Grandmentors Team, Volunteering Matters

The Leaving Care Award recognises excellence in helping the transition from care into adulthood, equipping young people leaving care to have the best possible start. Evidence of ongoing support to working in partnership with the young person to promote independence is key.

The judges said:

"This inspiring initiative bridges generations to ensure the young people today learn from the experts from yesterday. Well done!"

- Also, at the Children and Young Peoples Awards, our Family Mentors Team were shortlisted for the Biggest Impact Award (Team)
- We also won awards locally, including winning at the Kids in Care Awards. Organised by Hounslow Council, the Kids in Care Awards, recognise and celebrate young people in Hounslow who have overcome a difficult upbringing or challenging circumstances to make an outstanding achievement in their lives.

Our Chief Executive, Paul Reddish received his OBE at Windsor Castle from HRH Prince of Wales in November 2022.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. The Trustees have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Looking Ahead

In 2021-22 and beyond we are partnering with and investing in communities to overcome their challenges, tackling social isolation and loneliness, improving health, developing skills and opportunity and making sure young people can lead change. We will do this at scale, sharing our expertise and building partnerships to make an even bigger impact. We will adopt new agile practices that will support this, allowing us to support communities to navigate through the COVID Pandemic. We will play a central role in supporting the UK Government and the Devolved Administrations in engaging the wider Third Sector to respond to the needs of communities post COVID-19.

Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the Fundraising Regulator, which sets the standards of fundraising practices in the UK. We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the General Data Protection Regulation (GDPR) 2018. We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect from us.

FINANCIAL REVIEW

Results for the year

2021/22 results reflect what has been a turbulent time within the sector. The underlying operating financial model of the charity is now stable after a few years of larger deficits. However, running a charity in this current climate comes with many additional challenges. These include the transition out of the COVID pandemic as our funding partners face their own fiscal challenges, a major internal change programme to revitalise our strategy, our investment in modern systems and processes to support our work and track our impact, and of course more recently the cost of living crisis.

During this period, we have seen our income grow from £5.2m to £7.5m. Much of this is project growth where the income constitutes mostly restricted funds to deliver the new projects and therefore incurs additional delivery costs. We've also faced rises in costs in a number of areas as a result of some of the aforementioned challenges. This includes increases in basic pay across the workforce in order to remain competitive to attract the staff we need in delivering key services. The combined impact of all of this is an operational deficit of £319k.

Actuarial gains were made on the valuation of the defined benefit pension scheme of £3,490k. This annual revaluation does not impact cash flow as the employer's contribution to the pension fund is renegotiated triennially at a sustainable level with the London Borough of Islington. This provides certainty in relation to cash flow planning through to 2024.

Looking forward

In last year's accounts we reported our intention to continue to focus on growth in order to maintain the momentum over previous years to move into operational surpluses. However, the emerging challenging environment that all charities are currently operating in, as a result of the current fiscal crisis, have meant that opportunities for funding have proved more limited, which has meant slower growth than forecast, in addition to cost increases driven by the cost of living crisis. We have therefore restructured significantly in 2022/23 to reduce costs in line with these challenges. Some of these efficiencies have been achievable due to the investments in a change programme to implement better systems in the previous financial year. We expect similar losses in 2022/23 to account for this restructuring happening in year. As a result of the restructuring, we are forecasting that the second half of the year will deliver an operating surplus.

Given the current financial climate, impact on statutory partners and expected knock on impact to our sector, our forecasts for 2023/24 predict a shrinking of our income and services by approximately 10%, as opposed to previous predicted continued growth. Despite this, we expect that the restructuring and changes that we have made in FY2022/23 will enable the organisation to deliver an operating surplus in 2023/24.

In riding out these challenges, we have had to use much of our free reserves in the year. With the impact of recent restructuring and changes still to take full effect in the current year, we expect to report a similar deficit in FY2022/23 which will result in free reserves becoming negative.

Volunteering Matters

Trustees' Report

The operating climate remains uncertain and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years.

We are very fortunate as a charity to have a significant property asset we own outright which gives us a further safety net should we need it. However, it is not the intention of the trustees to use that safety net, and therefore our focus over the coming financial years will be on building free reserves through operational surpluses from 2023/24 onwards.

Trustees have therefore proposed a new reserves policy to take effect 2023/24 onwards to shift to the building of free reserves to reflect this change of strategy, with growing confidence that the work done over the last few years has enabled Volunteering Matters to navigate a challenging period and demonstrate an underlying sustainable financial model that supports the increasing demand for our work.

Volunteering Matters

Trustees' Report

Reserves

The Trustees are responsible for ensuring that the reserves policy is fit for purpose and meets the requirements of the Statement of Recommended Practice for charity accounting (FRS 102) and in addition, have considered the Charity Commission's guidance on the matter specifically:

1. the reasons why the charity needs reserves;
2. what level of reserves the Trustees believe the charity needs;
3. what steps the charity is going to take to establish this agreed level;
4. what the appropriate arrangements are for monitoring and reviewing this policy.

The Reserves Policy in place for the year ending 31st March 2022 is based on the level of reserves excluding three items:

- restricted reserves, which can only be spent to support particular projects;
- the pension deficit, because this deficit will not be payable in full for many years;
- the net book value of the properties held for the charity's own use, which is the Fixed Asset designated reserve.

The charity's available reserves have therefore been calculated as follows:

	2022	2021
	£'000	£'000
Total Reserves excluding Pension Deficit Reserve	1,605	1,768
Less Restricted Funds	(260)	(171)
Unrestricted Reserves	1,345	1,597
Free Reserves	67	352

The Trustees have agreed to change the reserves policy to reflect the challenging environment in which Volunteering Matters operates and the impact this has had over recent years on the reported reserves position. At 31 March 2022 the organisation has free reserves of £67K and with the expected level of deficit in the current year being similar expect to report negative free reserves in FY 2022/23.

The organisation has overdraft facilities available to it, to support the fluctuations in cashflow, which are secured on owned property. The Trustees consider this facility to be sufficient to support the organisation's continued operations whilst free reserves are returned to an appropriate level. Progress towards the targeted free reserves is reported on and monitored by the Finance and Audit Committee on a monthly basis and any corrective action identified as necessary will be monitored by this committee.

Trustees have therefore set a target for the increase in reserves in future years at a planned rate of £200K per year from 2023/24.

The reserves position is reviewed at the Finance and Audit Committee regularly and is approved annually at Council. The Trustees are satisfied that this strategy is appropriate based on the assessment of going concern detailed below.

Risks

The main risk for the charity is not closing the operational deficit and being unable to rebuild free reserves.

This is being addressed through a combination of managing costs, restructuring where necessary, identifying and addressing projects which do not return sufficient contribution and securing more work, supported by the Director of Business Development and Impact. Monthly reporting of project income and costs and detailed analysis has been progressed but, during the year, had not reached the stage of providing sufficient information on which to base decisions. This is the focus of much work in the current year and is one of the major changes, along with the restructuring, expected to deliver positive changes in performance.

Volunteering Matters

Trustees' Report

Going Concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow regularly, and has proactive and robust procedures for ensuring management of debtors. During the current year improvements in providing meaningful management information have been made, and the Finance and Audit Committee reviews the position each quarter.

Given the current financial climate, impact on statutory partners and expected knock on impact to our sector, our forecasts for 2023/24 predict a shrinking of our income and services by approximately 10%, as opposed to previous predicted continued growth. Despite this, the restructuring and changes that we have made in FY2022/23 are expected to enable the organisation to deliver an operating surplus in 2023/24.

In riding out these challenges, we have had to use all of our free reserves and expect to report negative free reserves in FY 2022/23. Whilst reserves are designed for situations like this, the operating climate remains uncertain and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years.

We are very fortunate as a charity to have a significant property asset we own outright which gives us a further safety net should we need it. However, it is not the intention of the trustees to use that safety net, and therefore our focus over the coming three financial years will be on building free reserves through operational surpluses. This asset enables us to secure overdraft facilities to support the ongoing operation of the charity.

Further details on the going concern basis of preparation are set out in note 1 (b).

On this basis, the Trustees are of the view that the charity will remain a going concern for a period of at least 12 months from the date of the approval of these financial statements, which should therefore be prepared on that basis.

The pension scheme deficit as at 31 March 2022 presented a significant challenge over the medium term. Market conditions since then mean that the prospects for negotiating an affordable exit from the scheme are now much more positive. We are in active discussions with the pension fund about this issue.

The Operating Surplus/(Deficit), which is referred to in the going concern commentary (page 12 above), our reserves policy (page 11) and the forward look (page 10) is calculated as follows		
	2022	2021
Net income/(expenditure)	(319)	(346)
Add back interest on pension scheme liabilities (note 17)	1,290	1,312
Remove interest on pension scheme assets (note 17)	(1,034)	(994)
Adjustment for employer contributions (note 17)	(100)	
Operating Surplus / (Deficit)	(163)	(28)

Volunteering Matters

Trustees' Report

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985.

Volunteering Matters is also registered as a charity in Scotland. Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Council of Management of Volunteering Matters (the Council) comprises the charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Council also has responsibility for the control and monitoring of the application of these policies. All the members of the Council are statutory directors and charity Trustees.

Volunteering Matters will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills.

All trustees have the opportunity to attend a half-day induction session that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Brand, reputation and results
- Programmes, projects and operations
- Documentation and resources In addition, they are issued with the NCVO handbook for trustees.

In terms of training, trustees are given every opportunity to attend appropriate development sessions organised by charity accountants, solicitors, NCVO, NPC and other Organisations. All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and projects local to that area.

The following Council committees meet regularly:

- The Finance and Investment Committee was renamed the Finance and Audit Committee in April 2021. The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy. The Finance and Audit Committee also receive the report from the external auditors, review and respond to the findings and recommendations and then monitor the implementation of agreed actions to address issues raised.
- The Enterprise Committee was formed in April 2021. The committee is responsible for providing additional support to the commercial and entrepreneurial directorate of Volunteering Matters which currently includes our Employee Volunteering service and the trading subsidiary Get The Gen.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Council to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Council for all aspects of performance.

The Executive Leadership Team comprises the Chief Executive, Director of Volunteering Delivery, Director of Business Development and Impact, Director of Enterprise, Head of Finance and Head of HR. Key management personnel comprise the Trustees and the Executive Leadership Team.

Volunteering Matters

Trustees' Report

Remuneration policy

The pay structure in Volunteering Matters is currently based on the National Joint Council for Local Government (NJC) pay scales, which are used by local government and widely used by the voluntary and community sector. Due to the nature of our work we also use spot salaries when required for specialist roles.

Human Resources monitor our pay and reward strategy, remuneration reviews and all related policies. The Organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Post Balance Sheet Event

There are no post balance sheet events to report.

Contingent Liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset. A further contingent liability may arise in the event of a cessation event crystallising a cessation debt.

Statement of Council's Responsibilities

The Council (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume the group and charitable company will continue in operation.

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

Insofar as the Council are aware:

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

Volunteering Matters

Trustees' Report

Auditors

Saffery Champness LLP are our appointed auditors and have indicated their willingness to continue in that capacity.

The report of the trustees, which includes the strategic report, has been approved by the Council and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'Anne Heal', written over a horizontal line.

Anne Heal
Chair of Council
10 February 2023

Volunteering Matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters

Opinion

We have audited the financial statements of Volunteering Matters (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the Volunteering matters statement of financial activities, the consolidated balance sheet, the Volunteering Matters balance sheet, the consolidated cashflow, Volunteering Matters cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the group and the parent charitable company as at 31 March 2022 and of the group's and parent company charity's 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 regulations 6 and 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 group and parent 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.

Material uncertainty related to going concern

We draw attention to note 1 (b) within the financial statements which indicates that the Group reported net expenditure for the year to 31 March 2022 of £319k (2021: deficit of £346k) and is expecting to report a further operating deficit in financial year 22/23 and consequently negative free reserves as at 31 March 2023. The charitable company is awaiting, at the date of approval of the accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The Trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes. These events or conditions along with other matters as set forth in Note 1 (b), indicate that a material uncertainty exists which may cast significant doubt on the company's and group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Other matters 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 Report of the Trustees which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees which includes the Directors' Report and the Strategic 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, 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 group's and the parent 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 group or the parent 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

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed 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. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

10 February 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Volunteering Matters

Consolidated Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Income from:					
Donations and legacies	2	20	66	86	236
Charitable activities	3	778	6,541	7,319	4,865
Property income	4	1	-	1	8
Other Income	4	14	39	53	93
Total income		<u>813</u>	<u>6,646</u>	<u>7,459</u>	<u>5,202</u>
Expenditure on:					
Raising funds	5	258	-	258	424
Charitable activities	5	963	6,557	7,520	5,124
Total expenditure		<u>1,221</u>	<u>6,557</u>	<u>7,778</u>	<u>5,548</u>
Net income/(expenditure)		<u>(408)</u>	<u>89</u>	<u>(319)</u>	<u>(346)</u>
Other recognised gains/(losses):					
Actuarial gain on defined benefit pension schemes	17	3,490	-	3,490	1,324
		<u>3,490</u>	<u>-</u>	<u>3,490</u>	<u>1,324</u>
Net movement in funds		<u>3,082</u>	<u>89</u>	<u>3,171</u>	<u>978</u>
Total funds brought forward	13	<u>(10,668)</u>	<u>171</u>	<u>(10,497)</u>	<u>(11,475)</u>
Total funds carried forward	13	<u><u>(7,586)</u></u>	<u><u>260</u></u>	<u><u>(7,326)</u></u>	<u><u>(10,497)</u></u>

There were no recognised gains or losses other than those stated above.

The notes on pages 26 to 39 form part of these financial statements.

Volunteering Matters

Volunteering Matters Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Income from:					
Donations and legacies	2	20	66	86	236
Charitable activities	3	778	6,415	7,193	4,865
Property income	4	1	-	1	8
Other income	4	14	39	53	93
Total income		<u>813</u>	<u>6,520</u>	<u>7,333</u>	<u>5,202</u>
Expenditure on:					
Raising funds		258	-	258	424
Charitable activities		963	6,461	7,424	5,124
Total expenditure		<u>1,221</u>	<u>6,461</u>	<u>7,682</u>	<u>5,548</u>
Net income/(expenditure)		<u>(408)</u>	<u>59</u>	<u>(349)</u>	<u>(346)</u>
Other recognised gains/(losses):					
Actuarial gain on defined benefit pension schemes	17	3,490	-	3,490	1,324
		<u>3,490</u>	<u>-</u>	<u>3,490</u>	<u>1,324</u>
Net movement in funds		<u>3,082</u>	<u>59</u>	<u>3,141</u>	<u>978</u>
Total funds brought forward	13	<u>(10,668)</u>	<u>171</u>	<u>(10,497)</u>	<u>(11,475)</u>
Total funds carried forward	13	<u><u>(7,586)</u></u>	<u><u>230</u></u>	<u><u>(7,356)</u></u>	<u><u>(10,497)</u></u>

There were no recognised gains or losses other than those stated above.

The notes on pages 26 to 39 form part of these financial statements.

Volunteering Matters

Consolidated Balance Sheet For the year ended 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Fixed assets	9		<u>1,278</u>		<u>1,245</u>
			1,278		1,245
Current assets					
Debtors	11	1,396		1,307	
Cash at bank		<u>916</u>		<u>385</u>	
		2,312		1,692	
Creditors: amounts falling due within one year	12	<u>(1,985)</u>		<u>(1,169)</u>	
Net current assets excluding pension liability			<u>327</u>		<u>523</u>
Defined benefit pension scheme liability			<u>(8,931)</u>		<u>(12,265)</u>
Total net liabilities			<u>(7,326)</u>		<u>(10,497)</u>
Funds					
Unrestricted funds	13		1,345		1,597
Restricted funds	13		260		171
Pension reserve	13		<u>(8,931)</u>		<u>(12,265)</u>
			<u>(7,326)</u>		<u>(10,497)</u>

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved by the trustees on 10 February 2023 and are signed on their behalf by:



Anne Heal, Chair & Council Member
Trustee



Simon Judge
Chair of the Finance & Audit Committee

Company Registration No. 1435877

Volunteering Matters

Volunteering Matters Balance Sheet For the year ended 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Fixed assets	9		<u>1,278</u>		<u>1,245</u>
			1,278		1,245
Current assets					
Debtors	11	1,368		1,307	
Cash at bank		<u>886</u>		<u>385</u>	
		2,254		1,692	
Creditors: amounts falling due within one year	12	<u>(1,957)</u>		<u>(1,169)</u>	
Net current assets excluding pension liability			<u>297</u>		<u>523</u>
Defined benefit pension scheme liability			<u>(8,931)</u>		<u>(12,265)</u>
Total net liabilities			<u><u>(7,356)</u></u>		<u><u>(10,497)</u></u>
Funds					
Unrestricted funds	13		1,345		1,597
Restricted funds	13		230		171
Pension reserve	13		<u>(8,931)</u>		<u>(12,265)</u>
			<u><u>(7,356)</u></u>		<u><u>(10,497)</u></u>

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved by the trustees on 10 February 2023 and are signed on their behalf by:



Anne Heal, Chair & Council Member
Trustee



Simon Judge
Chair of the Finance & Audit Committee

Company Registration No. 1435877

Volunteering Matters

Consolidated Statement of Cash Flows For the year ended 31 March 2022

	2022 £'000	2021 £'000
Reconciliation of Cashflows from Operating Activities		
Net income/(expenditure)	(319)	(346)
Depreciation charges	51	44
Pension cost adjustment	156	318
(Increase)/decrease in debtors	(89)	(652)
Increase/(decrease) in creditors	816	447
Cash flows from operating activities	615	(189)
Cash flows from investing activities		
Purchase of fixed assets	(84)	(56)
Net cash used in investing activities	(84)	(56)
Change in cash and cash equivalents in the period	531	(245)
Cash and cash equivalent brought forward	385	630
Cash and cash equivalents carried forward	916	385
Reconciliation of Net Cash		
	31 March 2021	31 March 2022
	Brought forward	Carried forward
	£'000	£'000
Cash at bank	385	916

Volunteering Matters

Volunteering Matters Statement of Cash Flows For the year ended 31 March 2022

	2022 £'000	2021 £'000
Reconciliation of Cashflows from Operating Activities		
Net income/(expenditure)	(349)	(346)
Depreciation charges	51	44
Pension cost adjustment	156	318
(Increase)/decrease in debtors	(61)	(652)
Increase/(decrease) in creditors	788	447
Cash flows from operating activities	<u>585</u>	<u>(189)</u>
Cash flows from investing activities		
Purchase of fixed assets	(84)	(56)
Net cash used in investing activities	<u>(84)</u>	<u>(56)</u>
Change in cash and cash equivalents in the period	501	(245)
Cash and cash equivalent brought forward	385	630
Cash and cash equivalents carried forward	<u><u>886</u></u>	<u><u>385</u></u>
Reconciliation of Net Cash		
	31 March 2021 Brought forward £'000	31 March 2022 Carried forward £'000
Cash at bank	<u>385</u>	<u>886</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

1. Accounting policies

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England, Wales and Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD.

a) Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules and on the going concern basis.

Company status

The Charity is a private company limited by guarantee. The members of the Charity are the Board of Trustees as detailed on page 2. The charity is incorporated in England and Wales country of incorporation and registration numbers are detailed on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertaking, PS Enterprises Limited. The subsidiary has been fully consolidated on a line by line basis in accordance with FRS 102 from the date it became part of the Group.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Charity's financial statements, the investment in its subsidiaries are stated at cost or book value.

b) Going concern

The directors consider the charitable company and group to be a going concern and the financial statements have been prepared on that basis.

At the balance sheet date, the Group and company had negative total funds of £7.3m (2021: £10.5m) reflective of the accounting requirements for defined benefit pension scheme arrangements under the requirements of the charities SORP. The company and group also reported £67,000 free reserves at the balance sheet date and the Trustees expect to report a further deficit in financial year 22/23 and consequently negative free reserves at 31 March 2023.

The charitable company and group rely on funding support, grants and contract income from outside sources, the generation of future operating surpluses and sufficient ongoing operating cashflow to finance its ordinary activities. The charitable company and Group currently meet their day to day working capital requirements through the available cash resources including the use of an overdraft facility secured on the charitable company's property asset, repayable on demand.

The Trustees, mindful of economic headwinds, have taken steps to reduce operating costs to lower levels. The charity continues to seek the necessary contract and funding agreement renewals and new business conversion to ensure that the company and group can continue to meet debts as they fall due.

In common with many charitable organisations with income from contracts and other funding agreements, the charitable company is awaiting, at the date of approval of the accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The forthcoming budget is built on a prudent view of these anticipated outcomes. The Trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes.

Against this background, the Trustees have considered and approved management prepared financial operating projections for the period to 31 March 2024 which include assumptions for anticipated costs and income which the Trustees consider to be reasonable and prudent.

Having considered the matters above, the Trustees are of the view that, at the date of approval of the financial statements, the charitable group and company has sufficient reserves and other resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have been drawn up on a going concern basis.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured.

Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However the value of volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

e) Resources expended

Resources expended are recognised on the accrual basis in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to phasing funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Freehold property	2% straight line
Leasehold property	for the period of the lease
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

The charity also provides retirement benefits to past and certain current employees through the Local Government Pension Scheme ('LGPS') operated by the London Borough of Islington. This is a defined benefit scheme which closed to new members on 3 April 2009 and to future accrual on 4 May 2015.

The LGPS is a funded scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the Statement of Financial Activities are the current service costs and the costs of scheme benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

Actuarial gains and losses are recognised within the Statement of Financial Activities within Other recognised gains and losses.

i) Provisions

Dilapidations are valued using a management estimate of the cost to the charity of works required to repair each property to the required condition at the end of the respective leases.

j) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

k) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial assets include debtor balances except prepayments as shown at Note 11 to the financial statements. Financial liabilities refers to all creditor balances including deferred income tax and social security as shown at Note 12 to the financial statements

l) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations. The key area of estimation and judgement is the discount rate used by the actuary in determining our pension liabilities as reported in Note 16 to these Financial Statements.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

2. Donations and legacies

Group and Company	2022 £'000	2021 £'000
Individual and company donations (unrestricted)	20	169
Trusts and foundations (restricted)	66	67
	<u>86</u>	<u>236</u>

3. Incoming resources from charitable activities

Group	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	713	334	1,047	857
Central Government	-	1,138	1,138	874
Local Government	5	2,407	2,412	2,027
European funding	-	209	209	108
Trusts and Foundations (grants)	41	496	537	573
Corporate	76	1,115	1,191	288
Other public sector	(57)	842	785	138
	<u>778</u>	<u>6,541</u>	<u>7,319</u>	<u>4,865</u>

Company

The comparable income of the charitable company is £7,193,000, which is as detailed above excluding £172,000 generated by the subsidiary company and other group adjustments.

Company	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	750	107	857
Central Government	-	874	874
Local Government	-	2,027	2,027
European funding	-	108	108
Trusts and Foundations (grants)	-	573	573
Employee Volunteering	288	-	288
Other public sector	78	60	138
	<u>1,116</u>	<u>3,749</u>	<u>4,865</u>

4. Incoming resources from non-charitable activities

	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Total £'000
Property Income	1	-	1	8
Furlough income	14	39	53	93
	<u>15</u>	<u>39</u>	<u>54</u>	<u>101</u>

Incoming resources from non-charitable activities for the prior year

	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Property Income	8	-	8
Furlough Income	93	-	93
	<u>101</u>	<u>-</u>	<u>101</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

5. Total resources expended

Group	Staff costs (Note 8) £'000	Other direct costs £'000	Support costs £'000	Total 2022 £'000	Total 2021 £'000
Cost of raising funds	242	3	12	258	424
Charitable activities - investing in volunteering	4,912	1,723	886	7,521	5,124
Total resources expended	<u>5,154</u>	<u>1,726</u>	<u>898</u>	<u>7,778</u>	<u>5,548</u>

Staff costs and other direct costs are a mixture of restricted and unrestricted costs.

Restricted costs are made up of delivery projects cost. Unrestricted costs are made up of central staff costs and unrestricted project costs. Support costs are all unrestricted costs and comprise of operational costs, IT and other administrative costs. The total governance cost includes a proportion of support costs.

Total resources expended for the prior year

	Staff costs (Note 8) £'000	Other direct costs £'000	Support costs £'000	Total 2021 £'000
Cost of raising funds	257	167	-	424
Charitable activities - investing in volunteering	<u>3,515</u>	<u>1,087</u>	<u>522</u>	<u>5,124</u>
Total resources expended	<u>3,772</u>	<u>1,254</u>	<u>522</u>	<u>5,548</u>

6. Grants paid

	2022 £'000	2021 £'000
Action Earth Community based projects paid to organisations	<u>48</u>	<u>30</u>
Grants paid to organisations during the year were paid as follows:		
Number of individual grants less than £2,000	<u>175</u>	<u>113</u>
	<u>175</u>	<u>113</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

7. Net income/(expenditure) for the year

	2022 £'000	2021 £'000
This is stated after charging:		
Depreciation	51	44
Auditors' remuneration (see below):	28	26
Operating lease rentals: Property	66	46

During the period 5 Council members (2021: 1) received reimbursement for travel & subsistence expenses totalling £1,283 (2021: £689). No remuneration nor payment for services was paid to any member of the Council (2021: none).

		2022 £'000	2021 £'000
Auditors' remuneration (excluding VAT)			
External audit		28	26
Non audit services		5	-
		<u>33</u>	<u>26</u>

8. Staff numbers and costs - Group

	2022 £'000	2021 £'000
Wages and salaries	4,377	3,067
Redundancy/Compensation costs	24	29
Social security costs	392	283
Defined contribution pension scheme costs	106	75
Defined benefit pension scheme interest (note 17)	256	318
	<u>5,154</u>	<u>3,772</u>

Redundancy costs reflect the actual or anticipated costs of contractual payments due as a result of management decisions taken during the year. Redundancy costs are funded from project funds / the charity's own resources as appropriate on a case by case basis.

	2022 No.	2021 No.
Number of staff earning more than £60,000 in the accounting year:		
Number of employees receiving £90,001- £100,000	1	1
Number of employees receiving £70,001- £80,000	-	1
Number of employees receiving £60,000- £70,000	1	2
	<u>2</u>	<u>4</u>

The total earnings including pensions of the charity's key management personnel was £417,911 (2021: £302,236).

The average monthly number of employees, expressed as head count and as full time equivalents, during the period was:

	Head count		Full time equivalents	
	2022 No.	2021 No.	2022 No.	2021 No.
Charitable activities	174	116	136	82
Fundraising	13	5	13	4
Governance	1	1	1	1
	<u>188</u>	<u>122</u>	<u>150</u>	<u>87</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

9. Tangible fixed assets - Charity and group

	Freehold & Long Leasehold properties £'000	Plant and equipment £'000	Total 2021 £'000
Cost			
At 1 April 2021	1,611	309	1,920
Additions	-	84	84
Disposals/write offs			-
At 31 March 2022	<u>1,611</u>	<u>393</u>	<u>2,004</u>
Depreciation			
At 1 April 2021	416	259	675
Charge for the period	32	19	51
Disposals/write offs			-
At 31 March 2022	<u>448</u>	<u>278</u>	<u>726</u>
Net book value			
At 31 March 2022	<u>1,163</u>	<u>115</u>	<u>1,278</u>
At 31 March 2021	<u>1,195</u>	<u>50</u>	<u>1,245</u>

10. Investments

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Investments in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>-</u>

Volunteering Matters acquired PS Enterprises Limited, registered in Scotland, on 1 April 2021, following the acquisition of the assets and liabilities of its previous parent entity Project Scotland. PS Enterprises Limited generated a profit of £29,781 for the period to 31 March 2022 and had closing capital and reserves of £29,810.

11. Debtors

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade debtors	1,001	973	1,002
Accrued income	<u>395</u>	<u>395</u>	<u>305</u>
	<u>1,396</u>	<u>1,368</u>	<u>1,307</u>

Volunteering Matters pursues an active debt recovery process and the majority of trade debtors and accrued income was received before the signing of the accounts.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

12. Creditors: amounts falling due within 1 year

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade creditors	542	537	87
Social security and other taxes	62	57	96
Accruals and other creditors	425	420	122
Deferred income (see below)	956	943	864
	<u>1,985</u>	<u>1,957</u>	<u>1,169</u>
<u>Deferred income</u>			
Balance b/f	864	864	479
Amount released to incoming resources	(864)	(864)	(479)
Amount deferred in the period	956	943	864
Balance c/f	<u>956</u>	<u>943</u>	<u>864</u>

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

13. Statement of funds - Group

	31 March 2021					31 March 2022
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund	1,597	813	(1,065)	-	-	1,345
before pension deficit						
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,646	(6,557)	-	-	260
Total funds	(10,497)	7,459	(7,778)	-	3,490	(7,326)

Statement of funds - Charity

	31 March 2021					31 March 2022
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund	1,597	813	(1,065)	-	-	1,345
before pension deficit						
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,520	(6,461)	-	-	230
Total funds	(10,497)	7,333	(7,682)	-	3,490	(7,356)

Restricted funds represent balances, none of which are considered to be material individually, in respect of many on-going projects where funds are shortly to be applied, having been restricted by the terms of the funding agreements.

Unrestricted designated and general expenditure relates mainly to non-project costs.

14. Statement of funds for prior year

	31 March 2020					31 March 2021
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,227	62	(44)	-	-	1,245
General fund	273	1,324	(1,245)	-	-	352
Total unrestricted fund	1,500	1,386	(1,289)	-	-	1,597
before pension deficit						
Less pension deficit	(13,271)	-	(318)	-	1,324	(12,265)
Restricted funds	296	3,816	(3,941)	-	-	171
Total funds	(11,475)	5,202	(5,548)	-	1,324	(10,497)

Volunteering Matters

**Notes to the financial statements
For the year ended 31 March 2022**

15. Analysis of net assets - Group	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,278	1,278
Net Current Assets	260	67	327
Provisions, long-term liabilities and pension liabilities	-	(8,931)	(8,931)
Net assets at the period end	<u>260</u>	<u>(7,586)</u>	<u>(7,326)</u>

Analysis of net assets for the prior year

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,245	1,245
Net Current Assets	171	352	523
Provisions, long-term liabilities and pension liabilities	-	(12,265)	(12,265)
Net assets/(liabilities) at the period end	<u>171</u>	<u>(10,668)</u>	<u>(10,497)</u>

16. Operating lease commitments

The charity 's future minimum operating leases payments are as follows:

	2022 Land and buildings £'000	2021 Land and buildings £'000
Not later than one year	46	46
Later than one year but not later than five years	-	-
	<u>46</u>	<u>46</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

17. Pension contributions and commitments

Volunteering Matters is a member of the London Borough of Islington defined benefit pension scheme and also participates in the Pensions Trust's Flexible Retirement defined contribution scheme.

Employer contributions of £100k (2021: £-) were made to the London Borough of Islington defined benefit pension scheme in the year. The contractual payments due for the year ending 31 March 2022 is £100k.

The disclosures set out below are based on the financial data supplied by Mercers, the Actuary to the London Borough of Islington. A triennial actuarial valuation of the Scheme was carried out at 31 March 2019 and was rolled forward. This was updated at 31 March 2022 by a qualified actuary using assumptions that are consistent with the requirements of FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The major assumptions used for the valuation were:

	2022	2021
	%	%
Discount rate	2.8	2.1
Inflation (CPI)	3.4	2.7
Salary increases	4.9	4.2
Increases to pension in payment	3.5	2.8
Life expectancy current pensioner age 65 male	22.7	22.8
Life expectancy current pensioner age 65 female	25.3	25.3
Life expectancy pensioner age 65 male 20 years' time	24.1	24.3
Life expectancy pensioner age 65 female 20 years' time	<u>27.1</u>	<u>27.2</u>

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2022 were:

	2022	2021
	Value of assets £'000	Value of assets £'000
Equities	32,131	27,428
Other bonds	5,813	5,485
Property	8,878	7,979
Cash/liquidity	-	2,493
Other	<u>6,024</u>	<u>6,483</u>
Total fair value of assets	52,846	49,868
Present fair value of funded benefit obligations	<u>(61,777)</u>	<u>(62,133)</u>
Deficit	<u>(8,931)</u>	<u>(12,265)</u>

	2022	2021
	£'000	£'000
Interest on pension liabilities	(1,290)	(1,312)
Interest on plan assets	<u>1,034</u>	<u>994</u>
Total pension cost charged to expenditure (note 8)	<u>(256)</u>	<u>(318)</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

17. Pension contributions and commitments (continued)

	2022	2021
	£'000	£'000
Change in benefit obligation		
Benefit obligation at beginning of year	(62,133)	(55,368)
Interest on pension liabilities	(1,290)	(1,312)
Actuarial (losses)	285	(6,848)
Benefits/transfers paid	<u>1,361</u>	<u>1,395</u>
Benefit obligation at end of year	<u>(61,777)</u>	<u>(62,133)</u>
Change in plan assets		
Fair value of Scheme assets at beginning of year	49,868	42,097
Expected return on plan assets	1,034	994
Actuarial gains / (losses)	3,205	8,172
Employer contributions	100	-
Benefits/transfers paid	<u>(1,361)</u>	<u>(1,395)</u>
Fair value of Scheme assets at end of year	<u>52,846</u>	<u>49,868</u>
Statement of actuarial gains/(losses)		
	2022	2021
	£'000	£'000
Change in benefit obligation	285	(6,848)
Change in plan assets	<u>3,205</u>	<u>8,172</u>
Net gain	<u>3,490</u>	<u>1,324</u>

18. Related parties

The only related party transactions have been with the wholly owned subsidiary therefore they have not been disclosed.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

19. Statement of financial activities for the period ended 31 March 2021

Company	Unrestricted Funds £'000	Restricted Funds £'000	Total to 31 March 2021 £'000
Income and endowments			
Donations and legacies	169	67	236
Charitable activities	1,116	3,749	4,865
Property income	8	-	8
Furlough Income	93	-	93
Other income	-	-	0
Total income and endowments	<u>1,386</u>	<u>3,816</u>	<u>5,202</u>
Expenditure on			
Raising funds	424	-	424
Charitable activities	<u>1,183</u>	<u>3,941</u>	<u>5,124</u>
Total expenditure	1,607	3,941	5,548
Net income/(expenditure) for the year	(221)	(125)	(346)
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	<u>1,324</u>	-	<u>1,324</u>
Net movement in funds	1,103	(125)	978
Reconciliation of funds			
Total funds/(deficits) brought forward	(11,771)	296	(11,475)
Total funds/(deficits) carried forward	<u><u>(10,668)</u></u>	<u><u>171</u></u>	<u><u>(10,497)</u></u>

20. Contingent liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset. A further contingent liability may arise in the event of a cessation event crystallising a cessation debt.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

21. Business Acquisition

Project Scotland - Acquisition of Assets and Liabilities

On 1 April 2021, Volunteering Matters acquired the assets and liabilities of Project Scotland. The Trustees confirm that no fair value adjustments were required and the fair value of PS Enterprises Limited at the date of acquisition is equal to the book cost of the assets and liabilities of the business. No goodwill has been recognised and no consideration was paid.

	31 March 2021 £'000
Fixed assets	7
Current assets	
Debtors	167
Cash at bank and in hand	22
	<u>189</u>
Creditors: amounts falling due within one year	(133)
Net current assets	56
Creditors: amounts falling due after one year	(27)
Net assets	<u><u>36</u></u>
Capital and reserves	
Called up share capital	30
Profit and loss account	6
Equity shareholders' funds	<u><u>36</u></u>

PS Enterprises Limited - Gift of Share Capital

On 1 April 2021, Volunteering Matters acquired 100% of the ordinary share capital of PS Enterprises Limited. The share capital was gifted to Volunteering Matters as part of the acquisition of the assets and liabilities of Project Scotland. PS Enterprises Limited's principal activity is training and event management in support of its parent charity. The gift is reflected within the charity's other income for the period. The Trustees confirm that no fair value adjustments were required and the fair value of PS Enterprises Limited at the date of acquisition is equal to the book cost of the assets and liabilities of the business. No goodwill has been recognised and no consideration was paid.

	31 March 2021 £'000
Current assets	
Debtors	19
Cash at bank and in hand	18
	<u>37</u>
Creditors: amounts falling due within one year	(22)
Net current assets	15
Creditors: amounts falling due after one year	(15)
Net assets	<u><u>-</u></u>
Capital and reserves	
Called up share capital	-
Profit and loss account	-
Equity shareholders' funds	<u><u>-</u></u>