

Volunteering Matters

Annual Report and Accounts

For the Year ended 31 March 2020

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About us

Company details

| | |
|---------------------------------|---|
| Charity Registration no. | Registered in England & Wales as a charity, number 291222 Registered in Scotland as a charity, number SC039171 |
| Company Registration no. | 01435877 |
| Registered office | The Levy Centre, 18- 24 Lower Clapton Road, London, E5 0PD |
| Phone number | 020 3780 5870 |
| President | Lord David Freud |
| VicePresident | John Pulford MBE |

Trustees

The members of the Council, who are also Trustees under charity law and directors under company law who served during the period and up to the date of this report were as follows:

| | |
|------------------------|--|
| Anne Heal | Chair of the Council Member of the HR, Remuneration & Pension Committee |
| Emmanuel Ayoola | From 17th March 2020 |
| Peter Bailey | Member of the Audit Committee Member of the Income Generation, Marketing and Communications Committee Member of the Finance & Investment Committee |
| Satyen Dhana | Trustee and Member of the Audit Committee and Member of the Finance & Investment Committee to 31 January 2020 |
| Andrew Hudson | Vice-Chair of the Council Member of the Audit Committee Member of the Finance & Investment Committee |
| Simon Judge | From 17 th March 2020 Member of the Audit Committee and Member of the Finance & Investment Committee |
| Julie Kirkbride | Chair of the Income Generation, Marketing and Communications Committee |

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|-------------------------|---|
| Katrina Lambert | From 17 th March 2020 |
| Patrick Luong | Member of the Income Generation, Marketing and Communications Committee |
| Sue Maskrey | From 17 th March 2020 |
| Katerina Rudiger | Chair of the HR, Remuneration & Pension Committee |
| Brian Smouha | Trustee and Chair of the Audit Committee and Member of the Finance & Investment Committee to 31 July 2019 |
| Zara Todd | From 17 th March 2020 |
| David Wilkinson | Chair of the Finance & Investment Committee Chair of the Audit Committee |
| Iona Wyn Turner | Member of the Income Generation, Marketing and Communications Committee |

Executive Leadership Team

| | |
|----------------------------|---|
| Paul Reddish | Chief Executive & Company Secretary |
| Valerie Brown | Director of Human Resources |
| Paul Buddery | Director of Volunteering Strategy to February 2020 |
| Michael Joseph | Chief Finance Officer |
| Stephen Skeet | Director of Business Development & Impact from April 2020 |
| Emma Thomas-Hancock | Director of Volunteering Delivery |

Auditors, Bankers and Solicitors

Independent Auditors
Saffery Champness LLP
Chartered Accountants
71 Queen Victoria Street
London, EC4V 4BE

Principal bankers
Barclays Bank PLC
1 Churchill Place
London E14 5HP

Principal solicitors
Peter Kingshill & Co
7 Liverpool Terrace
Worthing
BN11 1TA

Introduction from our Chair

Looking back on the year as a whole, we can see that the funding environment we faced was as challenging as ever. To our great relief, therefore, and after several years of trying, we were delighted that we were able to finally dispose of our property in Hornsey Road in London. That enabled us to deliver a modest financial surplus, but, perhaps more importantly, it gave us the headroom to look at the charity and its work afresh.

During the course of the year, our new CEO, Paul Reddish joined us. We then began a wide-ranging strategic review which actively involved our staff and many of our stakeholders. While the full effects of that review will inevitably not materialize until the next financial year, it rapidly became clear that it would provide an effective framework which could help us to tackle better some of society's most pressing needs and to do so in a sustainable and effective way.

The timing of our year end meant that the effects of COVID-19 did not impact these accounts. The increase in risk associated with the virus is evident to all, but it is fair to say that having undertaken the review, we were better prepared to address the challenges that the pandemic has brought and that we have been able to identify and tackle a number of opportunities which mean we can better connect to and support those whom we serve.

I would like to thank our new President, Lord Freud, Trustees and Paul and the whole Volunteering Matters team for all their efforts and support this year. It has been a time of change and reflection and I very much hope it has set us up for real progress in the years ahead.



Anne Heal, Chair

Date

Chief Executive's Report

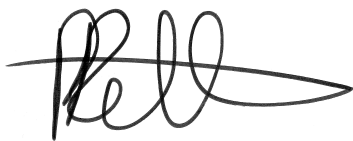
It's been a busy 12 months at Volunteering Matters since I joined in summer of 2019. In my first six months in role, we ran a fast-paced restructuring exercise operated as a collaborative exercise across our whole organization. By January we'd put the foundations of the restructure in place. This included a move to self-managed volunteer Delivery teams, and significant reduction in management overheads. This is a key part of our new strategy and approach to ensuring those closest to our projects and programmes are empowered to make choices and decisions on how they work.

We absolutely believe in the force for change that volunteering and volunteers create, but to lead to lasting change this must be done through work within communities. Our new strategy focuses our work on our role and impact in a place, and how we can help address inequalities, improve health and well-being, and achieve other critical social outcomes alongside others in the communities where we operate.

We expect to launch fully more details of this strategy as the year continues. For now however, I would say that in spite of the challenges COVID-19 has thrown into the path of the charity sector and the communities we work in, our team of staff and volunteers have responded fantastically well. The early signs and response to our strategy have been really positive, and all the indicators are showing this new strategic approach has been well received by communities, volunteers and funders of our work. It's seen a real change in our approach, and many more people now are seeing us for what I believe this charity can and should be - as a force for good and a key partner within communities.

The response of the team and our volunteers during the pandemic has been heart-warming to see. Many of our staff and volunteers have been front and centre of the response in many communities throughout the UK, and we've been a proud partner in the Voluntary and Community Sector Emergencies Partnership, led by the British Red Cross.

While the long term effects of COVID-19 are still unknown, I firmly believe that Volunteering Matters will have a key role in helping our society re-build for the future and that we, our staff, volunteers and funding partners, will help people re-connect with one another and build stronger communities in the months ahead.

A handwritten signature in black ink, appearing to read 'P Reddish', with a long horizontal stroke extending to the right.

Paul Reddish, Chief Executive

Trustees' Report including the Strategic Report

We are pleased to present our report for the year ended 31st March 2020.

Our Impact

We are in a year of transition in terms of how we measure and report impact. We are becoming better at this and next financial year will be providing a separate impact report that does more to describe the impact we have on the communities and beneficiaries we support.

Aims and Objectives

We bring people together to overcome some of society's most complex issues through the power of volunteering, because stronger communities mean that everyone has the opportunity to thrive.

In 2019/20 our criteria for success continued in line with our three-year strategy: Increasing Reach, Policy Leadership and Best Possible Volunteer Experience. Our reach broadly remained strong across our four communities with growth in our work with Young People. Volunteers continued to reflect positively on their experiences through our engagement with them with numbers remaining consistently strong. Policy Leadership performed less well, with consistent political flux across the UK throughout the period leading to a lack of focus within civil society thinking.

In October 2019 we began a full Strategic Review across the organization in line with the new strategic cycle. As part of this we tested the following assumptions:

- That people can and want to make deep and meaningful change in their community but sometimes they feel unable to, especially those who are seen as vulnerable or at risk.
- We are most effective when we work *with* people, not *on their behalf*.
- Our knowledge and expertise give them the power to make change happen.

Because we work at a national level, we can apply our learnings, our experience and our insights from one community to another so more people can benefit.

Having satisfied these base assumptions to be correct, we produced a new strategy in which we highlight our new impact areas, through which we will evidence our success in the next two years:

- Tackling social isolation and loneliness
- Improving physical and mental health,
- Developing skills and opportunities, and
- Enabling young people to lead change

We turn local knowledge and energy into action and progress, building stronger communities and better futures for all. Because we are a national charity, we do this at scale, sharing our expertise and building partnerships to make an even bigger impact.

In the year to March 2020 we focused on the needs of four distinct communities that encapsulate both our volunteers and the people who benefit directly from their work. These were:

- Young people
- Disabled people
- Families

- Older people

Achievements

In total **17,870** (2019: 20,790) people volunteered to improve lives within their communities during the year to March 2020 and there were **67,423** (2019: 86,109) beneficiaries from their volunteering.

Young People

6,239 young people benefitted from the support of volunteers through our award-winning mentoring and befriending projects. Our volunteers consistently helped transform the lives of young people, converting vulnerability into strength and resilience, and dependency into self-determination. We are proud that many of the young people we have supported are in now Higher Education, Civil Service Internships, employed by Volunteering Matters or working within the Public Sector.

Young People also have the power and passion to drive systemic change through their volunteering. **1,613** young people undertook their own youth led social action delivering transformational change in their own communities. Projects such as WASSUP and Mind Matters which young people have created to address issues such as sexual exploitation and mental ill health have not only impacted successfully on the lives of the participants but have been recognized in their own right as strategic Volunteering Matters programmes. This Youth Social Action has seen young people gain influence far beyond the confines of their peers, becoming national Youth Social Action Ambassadors, having a seat at Safeguarding Boards, delivering workforce development to professionals and lobbying local and central Government.

Older People

5,878 people aged 50 and over volunteered in their local areas to deliver real and lasting change primarily through our RSVP (Retired and Senior Volunteers Programme) which enables volunteers to shape and deliver projects that support beneficiaries whilst also improving the wellbeing of the volunteers themselves. Those volunteers are school readers, drivers, deliverers, knitters, engineers and handy people, reinvesting their skills and time back into their local communities.

Families

Our Volunteering Supporting Families programme recruits, trains and matches volunteers who mentor and support families with complex needs. The programme has supported **1,339** family members, helping families to become financially independent, in stable accommodation with health needs addressed and children's educational needs being met.

14,138 people with disabilities benefitted from volunteering and in turn **507** disabled people volunteered to support their communities. Our activity includes The SAFE ('Sexual Awareness for Everyone') project which helps improve the personal safety and good sexual health of young women (aged 16 to 35) with learning difficulties through peer led workshops and one to one peer support.

Awards

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

- Volunteering Matters became HM Prison and Probation Service OSAG Charity of the Year.
- We received High Sheriff Awards for our volunteering activity with young people in Ipswich and Milton Keynes.
- Volunteering Matters became the Mayor of Ipswich's chosen charity.

- Activ8 project in Wales won the Youth Work Project category at the Youth Excellence Awards 2019.
- A volunteer from the S.A.F.E. project in South Wales won the Young Volunteer Award at the Newport Volunteer Achievement Awards.
- A volunteer from our youth social action work in Wales won the Young Leader in Wales Award.
- In June 2019, we were awarded the Volunteer Friendly Award from Voluntary Action North Lincolnshire for our Befriending Volunteering.
- North Lanarkshire Befriending volunteers were proud to be congratulated by the Scottish Parliament to mark celebrating its 20th anniversary.

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 2020-21 we will partner with and invest 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 Coronavirus 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 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

Our financial year runs from April 2019 to March 2020 and was therefore not materially impacted by the lockdown which ensued from the middle of March 2020.

In a challenging funding environment our underlying performance was an operating deficit of £1,356k, an increase in deficit of £99k from 2019. This is in the context of a reduction in income of £426k mostly from Local Authorities and Trusts and Foundations.

This deficit was mitigated by the planned sale of a London property which completed in December 2019 for £2,287k, at a surplus of £1,489k. This gave rise to a net surplus before the actuarial revaluation of the pension fund of £134k.

Actuarial gains were made on the valuation of the defined benefit pension scheme of £1,406k compared to losses in 2019 of £1,206k. This annual revaluation does not impact cash flow as the 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

The sale of the Hornsey Road property has given us time to build and implement a new strategy. This has seen both a reduction in our core costs as we change to a new operating model, and a change in our strategic approach to focus on the impact our volunteering programmes have in certain localities.

The pandemic has led to reductions in some of our income streams, including Employee Volunteering and Fundraising, but this has been mitigated to some extent by grants from the Job Retention Scheme, and our new approach to developing programmes has resulted in a significant number of new commissions and income in the early part of 2020-21.

These early but important signs of progress in new strategic growth indicate that our new strategy is working, and we look forward to reporting progress towards a much healthier set of accounts in the year to March 2021 which will underline not just a sustainable delivery model for the charity, but also a method for growing our impact and work in future years.

Reserves

The Trustees have reviewed the Reserves Policy to ensure that it 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:

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

The Reserves Policy is based on the level of reserves excluding three items:

- restricted reserves, which can only be spent to support particular projects;
- the pension deficit, on the grounds that 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.

VOLUNTEERING MATTERS - Year ended 31 March 2020

The charity's available reserves at 31st March 2020 have therefore been calculated as follows:

| | £000 |
|--|--------------|
| Total Reserves excluding Pension Deficit Reserve | 1,796 |
| Less Restricted Funds | <u>(297)</u> |
| Unrestricted Reserves | <u>1,499</u> |

The reserves policy of Trustees is to have 'free' reserves equivalent to six months of core operating costs or £1m, where 'free' reserves are unrestricted reserves less the net book value of fixed assets. Our 'free' reserves are currently £272k and therefore represent less than two months operating costs.

The reserves position is reviewed at the Finance and Audit Committee on a regular basis and is approved annually at Council. In light of the positive changes in strategy and the change in risk profile, Trustees are reviewing the policy to ensure it remains appropriate.

The Trustees are satisfied that the current level of reserves is sufficient based on the assessment of going concern detailed below.

Risks

The main risk for the charity is not closing the operational deficit. This is being addressed through a combination of managing costs and securing more work, supported by the appointment of a new Director of Business Development and Impact. The early signs are that we are generating significant new opportunities, especially around COVID-19 relief work, but the impact of the pandemic has created many uncertainties which we are keeping under constant review.

The risk framework is reviewed by both the Audit Committee and Council, and the executive leadership team takes mitigating actions to address the key risks.

Going Concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow daily and the management accounts monthly, and the Finance and Investment Committee reviews the position each quarter.

Our income profile is changing, and we are becoming more agile in our management of costs, both of which are reducing our risk profile. This is evident from the Trustees assessment of the working capital forecast to December 2021 and the underlying assumptions, taking into account the impact of the pandemic and the uncertain operating environment. Trustees are of the view that these assumptions made are prudent and that sensitivities of both income and costs have been adequately considered. Trustees also note that the charity has no debt and owns the Levy Centre in Hackney.

On this basis the Trustees are of the view that the charity remains a going concern and that the accounts should be prepared on that basis.

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 - Year ended 31 March 2020

Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organization, 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 on the basis of interest and skills.

All Trustees have the opportunity to attend a half day induction session. Recently some have been deferred because of restrictions arising from the pandemic but a rescheduled as appropriate. Inductions cover the following areas:

- Roles and responsibilities of a Trustee
- Key financial issues
- Re-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 organized by charity accountants, solicitors, NCVO, SCVO and other organizations.

All Trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers, subject to COVID-19 restrictions in order that they have an opportunity to hear from programmes and projects local to that area.

The following Council committees were in place at the start of 2019-20 and have met as required. The arrangements are being reviewed in light of the strategic review but are currently as follows;

- The Audit Committee is responsible for ensuring that effective internal controls, processes and systems are in place, with a focus on compliance, audit and financial matters and delivery risk.
- The Finance and Investment Committee is responsible for maintaining oversight of our finances, financial strategy and investment policy.
- The Human Resources, Remuneration and Pension committee is responsible for maintaining oversight and providing advice in relation to our human resources strategy, our pay and remuneration policy and our pension arrangements.
- The Income Generation, Marketing and Communications Committee assists in the development of longer-term strategies for income generation and public affairs, and acts in an advisory capacity to provide introductions to contacts and networks.

VOLUNTEERING MATTERS - Year ended 31 March 2020

The day-to-day operational responsibilities for Volunteering Matters are delegated 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, Chief Finance Officer, Director of Volunteering Delivery, Director of Business Development and Impact and Director of HR. Key management personnel comprise the Trustees and the Executive Leadership Team.

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.

The HR, Remuneration and Pensions Committee sets and monitors our pay and reward strategy, remuneration reviews and all related policies. The organization 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.

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) is 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).

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 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;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the 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 - Year ended 31 March 2020

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

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 on 13th October 2020 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Anne Heal', with a long horizontal flourish extending to the right.

Anne Heal, Chair

Independent Auditor's Report to the Members

Opinion

We have audited the financial statements of Volunteering Matters for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including, 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 charitable company's state of affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Annual Report 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 Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Council's Responsibilities set out on page 12, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 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.

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.

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 trustees and members 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 trustees, the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Liz Hazell, Senior Statutory Auditor
For and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 14 October 2020

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

Thanks to our Funding Partners

Thanks to the generosity of our donors and funding partners, hundreds of communities have benefited from the impact and support of our volunteers.

Across the country we have created change and brought people together to unite and tackle the biggest issues they face. We've been able to remove obstacles, break down barriers and give people the power and confidence to make change happen. Both for themselves and the communities they live in. And the support received from our donors has been key.

We want to send our heartfelt thanks to all our wonderful individuals, trusts, foundations, national and community organizations whose generosity has enabled us to invest in volunteering projects that transform lives and communities.

City Bridge Trust
Foundation Scotland
Interlink RCT
Ipswich Borough Council
London Borough of Hackney
London Borough of Haringey
London Borough of Hounslow
London Borough of Islington
London Borough of Waltham Forest
Masonic Charitable Foundation
Milton Keynes Council
NatureScot
NESTA
Newcastle Upon Tyne City Council
Norfolk County Council
North Lanarkshire Council
Peacock Charitable Trust
Pembrokeshire Assoc'n of Voluntary Services
Pembrokeshire County Council

Players of People's Postcode Lottery awarding funds from Postcode Support Trust
Police, Fire and Crime Commissioner for Essex
Royal Borough of Greenwich
Royal British Legion
RS MacDonald Charitable Trust
Southend on Sea Borough Council
Stirling Council
Stockton-on-Tees Borough Council
Suffolk Community Foundation
Suffolk County Council
Tampon Tax Fund from Welsh Government
The Gannochy Trust
The Jecda Foundation
The National Lottery Community Fund
The Robertson Trust
Vestey Holdings
Welsh Government
Wiltshire County Council

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VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2020

| | | Unrestricted Funds | Restricted Funds | Total | Total |
|--|------|-----------------------|---------------------|------------------|------------------|
| | Note | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2019 |
| | | £'000 | £'000 | £'000 | £'000 |
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 73 | 310 | 383 | 279 |
| Charitable activities | | 1,162 | 2,888 | 4,050 | 4,686 |
| Property income | | 23 | - | 23 | 33 |
| Other income (profit on disposal of Hornsey Road) | | 1,489 | | 1,489 | |
| TOTAL INCOME | | 2,747 | 3,198 | 5,945 | 4,998 |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 271 | - | 271 | 259 |
| Charitable activities | | 2,155 | 3,385 | 5,540 | 5,996 |
| TOTAL EXPENDITURE | 4 | 2,426 | 3,385 | 5,811 | 6,255 |
| Net income / (expenditure) for the year | | 321 | (187) | 134 | (1,257) |
| Other recognised gains/ (losses): | | | | | |
| Actuarial gain / (loss) on defined benefit pension | 16 | 1,406 | - | 1,406 | (1,206) |
| NET MOVEMENT IN FUNDS | | 1,727 | (187) | 1,540 | (2,463) |
| RECONCILIATION OF FUNDS: | | | | | |
| TOTAL FUNDS / (DEFICITS) B/F | | (13,498) | 483 | (13,015) | (10,552) |
| TOTAL FUNDS / (DEFICITS) C/F | 13 | (11,771) | 296 | (11,475) | (13,015) |

All the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

BALANCE SHEET
As at 31 March 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 1,233 | 1,855 |
| | | 1,233 | 1,855 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 655 | 614 |
| Cash at bank and in hand | | 630 | 41 |
| | | 1,285 | 655 |
| CREDITORS: amount falling due within one year | 11 | (709) | (1,017) |
| NET CURRENT (LIABILITIES)/ASSETS | 14 | 576 | (362) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,809 | 1,493 |
| Provision for liabilities | 12 | (13) | (17) |
| Net assets excluding pension liability | | 1,796 | 1,476 |
| Defined benefit pension scheme liability | 16 | (13,271) | (14,491) |
| TOTAL NET LIABILITIES | | (11,475) | (13,015) |
| THE FUNDS OF THE CHARITY: | | | |
| Restricted income funds | 13 | 296 | 483 |
| Unrestricted funds: | | | |
| Designated funds | 13 | 1,227 | 1,328 |
| General fund | 13 | 273 | (335) |
| Unrestricted funds excluding pension deficit reserve | | 1,500 | 993 |
| Pension reserve | 16 | (13,271) | (14,491) |
| Total unrestricted accumulated deficits | | (11,771) | (13,498) |
| TOTAL CHARITY ACCUMULATED DEFICITS | 14 | (11,475) | (13,015) |

The financial statements were approved and authorised for issue by the Council on13 October 2020 and signed on their behalf by:



Anne Heal, Chair & Council Member



David Wilkinson, Chair of the Finance & Investment Committee

VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

CASH FLOW STATEMENT

For the year ended 31 March 2020

| | | Total Funds 2020 £'000 | Total Funds 2019 £'000 |
|---|-------------|---|---|
| | Note | | |
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | A | (1,363) | (941) |
| Cash flows from investing activities: | | | |
| Sale of property | | 2,026 | - |
| Purchase of property, plant and equipment | | - | (6) |
| Net cash used in investing activities | | 2,026 | (6) |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | 663 | (947) |
| Cash and cash equivalents at the beginning of the year | | (33) | 988 |
| Use of overdraft | | - | (74) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | 630 | (33) |

Note A

Reconciliation of cash flows from operating activities

| | 2020 £'000 | 2019 £'000 |
|--|-----------------------|-----------------------|
| Net income / (expenditure) for the year (per the Statement of Financial Activities) | 133 | (1,257) |
| Adjustments for: | | |
| Depreciation charges | 86 | 43 |
| Gain on sale of Hornsey Road property | (1,489) | |
| Pension cost adjustment | 186 | 185 |
| (Increase) / Decrease in debtors | (41) | 210 |
| Decrease in creditors | (238) | (122) |
| Net cash used in operating activities | (1,363) | (941) |

Analysis of cash and cash equivalents

| | | |
|--|------------|-------------|
| Cash in hand | 630 | 41 |
| Overdraft facility payable on demand | - | (74) |
| Total cash and cash equivalents | 630 | (33) |

Movement on cash and cash equivalents

| | 2019 £'000 | Cashflow £'000 | 2020 £'000 |
|--------------|-----------------------|---------------------------|-----------------------|
| Cash in hand | 41 | 589 | 630 |
| Overdraft | (74) | 74 | - |
| | (33) | 663 | 630 |

Prior year movement

| | 2018 £'000 | Cashflow £'000 | 2019 £'000 |
|--------------|-----------------------|---------------------------|-----------------------|
| Cash in hand | 2,153 | (2,112) | 41 |
| Overdraft | - | (74) | (74) |
| | 2,153 | (2,186) | (33) |

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England and 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 have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Volunteering Matters meets the definition of a public benefit entity under FRS 102.

b) Going concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow on a daily basis and the management accounts on a monthly basis, and the Finance and Investment Committee reviews the position each quarter. Our income profile is changing, and we are becoming more agile in our management of costs, both of which are reducing our risk profile. This is evident from the Trustees assessment of the working capital forecast to December 2021 and the underlying assumptions, taking into account the impact of COVID and the uncertain operating environment. Trustees are of the view that these assumptions are prudent and that sensitivities of both income and costs have been adequately considered. Trustees also note that the charity has no debt and owns the Levy Centre in Hackney. 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 and should be prepared on that basis.

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 raising 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

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

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.

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 introductions, 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 10 to the financial statements. Financial liabilities refers to all creditor balances including deferred income, tax and social security as shown at Note 11 to the financial statements.

l) Key estimates and assumptions

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.

2. DONATIONS AND LEGACIES

| | 31 March 2020 | 31 March 2019 |
|---|--------------------------|--------------------------|
| | £'000 | £'000 |
| Individual and company donations (unrestricted) | 73 | 77 |
| Trusts and foundations (restricted) | 310 | 202 |
| | 383 | 279 |

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 31 March 2020 | 31 March 2020 | 31 March 2020 | 31 March 2019 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Unrestricted | Restricted | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| National Grants including Big Lottery Fund and People's Postcode Lottery | 600 | 454 | 1,054 | 1,118 |
| Learning | - | - | - | 3 |
| Central Government | (2) | 126 | 124 | 106 |
| Local Government | 1 | 1,509 | 1,510 | 1,807 |
| European funding | - | 274 | 274 | 268 |
| Trusts and Foundations (grants) | 9 | 529 | 537 | 670 |
| Employee Volunteering | 479 | - | 479 | 570 |
| Other public sector | 75 | (3) | 72 | 144 |
| | 1,162 | 2,888 | 4,050 | 4,686 |

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

Other public sector has no donated facilities and services for this year (2019: £83,000). Donated facilities and services mainly comprise office space, utility charges and equipment and were applied towards Social Action Volunteering projects.

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES FOR THE PRIOR YEAR

| | 31 March 2019 | 31 March 2019 | 31 March 2019 |
|--|------------------|------------------|------------------|
| | Unrestricted | Restricted | Total |
| | £'000 | £'000 | £'000 |
| National Grants including Big Lottery Fund and People's Postcode Lottery | 541 | 577 | 1,118 |
| Learning | 3 | - | 3 |
| Central Government | - | 106 | 106 |
| Local Government | 340 | 1,467 | 1,807 |
| European funding | 0 | 268 | 268 |
| Trusts and Foundations (grants) | 321 | 349 | 670 |
| Employee Volunteering | 570 | - | 570 |
| Other public sector | - | 144 | 144 |
| | 1,775 | 2,911 | 4,686 |

4. TOTAL RESOURCES EXPENDED

| | Staff costs (Note 8) | Other direct costs | Support costs | 31 March 2020 | 31 March 2019 |
|---|-------------------------|-----------------------|------------------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost of raising funds | 239 | 32 | - | 271 | 259 |
| Charitable activities - investing in volunteering | 4,021 | 934 | 585 | 5,540 | 5,996 |
| Total resources expended | 4,260 | 966 | 585 | 5,811 | 6,255 |

Note: Support costs comprise operational costs, IT, governance and other administrative costs. Support costs were lower in 2019 due to a recharge to direct costs of £87,000 which was not made in 2020, and a write back of dilapidation costs of £40,000. Governance costs of £65,000 (2019: £73,000) are included within support costs.

TOTAL RESOURCES EXPENDED FOR THE PRIOR YEAR

| | Staff costs (Note 8) | Other direct costs | Support costs | 31 March 2019 |
|---|-------------------------|-----------------------|------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost of raising funds | 230 | 29 | - | 259 |
| Charitable activities - investing in volunteering | 4,320 | 1,282 | 394 | 5,996 |
| Total resources expended | 4,550 | 1,311 | 394 | 6,255 |

5. GRANTS PAID

| | Total 31 March 2020 | Total 31 March 2019 |
|---|---------------------------|---------------------------|
| | £'000 | £'000 |
| Action Earth Community based projects paid to organisations | 44 | 43 |
| | 44 | 43 |
| Grants paid to organisations during the year were paid as follows: | | |
| Number of individual grants less than £2,000 | 170 | 142 |
| | 170 | 142 |

6. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

| | 31 March 2020 | 31 March 2019 |
|-------------------------------------|------------------|------------------|
| | £'000 | £'000 |
| Depreciation | 86 | 43 |
| Auditors' remuneration (see below): | 28 | 34 |
| Operating lease rentals: Property | 58 | 228 |

During the period, one Council member (2019: 2) received reimbursement of travel & subsistence expenses of £689 (2019: £646). No remuneration nor payment for services was paid to any member of the Council (2019: none). Trustees' indemnity insurance was taken out at a cost of £1,580 (2019: £1,800)

| 31 March 2020 | 31 March 2019 |
|------------------|------------------|
|------------------|------------------|

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

| Auditors' remuneration | (excluding VAT) | £'000 | £'000 |
|-------------------------------|--------------------|--------------|-----------|
| | External audit | 28 | 17 |
| | Non audit services | - | 9 |
| | Internal audit | - | 4 |
| | | 28 | 30 |

7. STAFF NUMBERS AND COSTS

| | 31 March 2020 | 31 March 2019 |
|--|--------------------------|------------------|
| | £'000 | £'000 |
| Wages and salaries | 3,452 | 3,673 |
| Redundancy/Compensation costs | 69 | 107 |
| Social security costs | 309 | 336 |
| Defined contribution pension scheme costs | 82 | 95 |
| Defined benefit pension scheme adjustments (note 17) | 346 | 339 |
| | 4,259 | 4,550 |

Salaries and wages include agency fees incurred by Volunteering Matters of £32,406 (2019: £12,394).

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.

| | 2020 No. | 2019 No. |
|--|---------------------|-------------|
| Number of staff earning more than £60,000 in the accounting year: | | |
| Number of employees receiving £90,001- £100,000 | - | 1 |
| Number of employees receiving £70,001- £80,000 | 1 | - |
| Number of employees receiving £60,000- £70,000 | 2 | 2 |
| | 3 | 3 |

The total earnings including pensions of the charity's key management personnel was £376,751 (2019: £340,456). The number of personnel in this group was 6 (2019:6). The increase in cost relates to filling of the role of Director of Business Development and Impact which had been vacant in 2019.

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

| | Head count | | Full time equivalents | |
|-----------------------|----------------------------------|-------------------------|----------------------------------|-------------------------|
| | 31 March 2020 No. | 31 March 2019 No. | 31 March 2020 No. | 31 March 2019 No. |
| Charitable activities | 131 | 144 | 110 | 119 |
| Fundraising | 2 | 6 | 2 | 6 |
| Governance | - | 1 | - | 1 |
| | 133 | 151 | 112 | 126 |

8. TANGIBLE FIXED ASSETS

| | Freehold & Long Leasehold properties | Plant and equipment | Total 2020 |
|-----------------------|---|--------------------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 April 2019 | 2,362 | 399 | 2,761 |
| Disposals/write offs* | (751) | (146) | (897) |
| At 31 March 2020 | 1,611 | 253 | 1,864 |
| Depreciation | | | |
| At 1 April 2019 | 521 | 385 | 906 |
| Charge for the period | 78 | 8 | 86 |
| Disposals/write offs* | (215) | (146) | (361) |
| At 31 March 2019 | 384 | 247 | 631 |
| Net book value | | | |

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

| | | | |
|------------------|--------------|-----------|--------------|
| At 31 March 2020 | 1,227 | 6 | 1,233 |
| At 31 March 2019 | 1,841 | 14 | 1,855 |

Disposals/write offs*

The Hornsey Road property which was vacant and surplus to charitable activities was sold in the year.

Following a full asset review all fully depreciated assets which are no longer in use have been treated as a deemed disposal.

9. ASSOCIATE UNDERTAKINGS

Volunteering Matters has a one-third interest in a separate company, Outreach Solutions (formerly Digital Outreach Limited) (company number 06322789). Volunteering Matters' share of the assets of the company are not considered material to these financial statements and as such have not been recognised. Outreach Solutions Limited was dormant in the year.

10. DEBTORS

| | 31 March 2020 | 31 March 2019 |
|----------------|--------------------------|------------------|
| | £'000 | £'000 |
| Trade debtors | 300 | 246 |
| Prepayments | - | 123 |
| Accrued income | 355 | 245 |
| | 655 | 614 |

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.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 March 2020 | 31 March 2019 |
|---------------------------------------|--------------------------|------------------|
| | £'000 | £'000 |
| Bank overdraft | - | 74 |
| Trade creditors | 17 | 120 |
| Social security and other taxes | 99 | 172 |
| Accruals and other creditors | 113 | 85 |
| Deferred income (see below) | 479 | 566 |
| | 709 | 1,017 |
| <u>Deferred income</u> | | |
| Balance b/f | 566 | 633 |
| Amount released to incoming resources | (566) | (633) |
| Amount deferred in the period | 479 | 566 |
| Balance c/f | 479 | 566 |

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

12. PROVISIONS FOR LIABILITIES

| | 31 March 2019 | | 31 March 2020 | 31 March 2018 | | 31 March 2019 |
|---------------|----------------------------|-------------------|----------------------------|--------------------|-------------------|--------------------|
| | Brought forward | (Decrease) | Carried forward | Brought forward | (Decrease) | Carried forward |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Dilapidations | 17 | (4) | 13 | 116 | (99) | 17 |
| | 17 | (4) | 13 | 116 | (99) | 17 |

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

13. STATEMENT OF FUNDS

| | 31 March 2019 | | | | | 31 March 2020 |
|--|--------------------------|-----------------------------|-----------------------------|--------------------|-------------------------------|--------------------------|
| | Brought forward £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Other gains/(losses) £'000 | Carried forward £'000 |
| SUMMARY OF FUNDS | | | | | | |
| <u>Unrestricted funds:</u> | | | | | | |
| Designated funds | 1,328 | - | (101) | - | - | 1,227 |
| General fund | (335) | 2,747 | (2,139) | - | - | 273 |
| Total unrestricted fund before pension deficit | 993 | 2,747 | (2,240) | - | - | 1,500 |
| Less pension deficit | (14,491) | - | (186) | - | 1,406 | (13,271) |
| Restricted funds | 483 | 3,198 | (3,385) | - | - | 296 |
| Total funds | (13,015) | 5,945 | (5,811) | - | 1,406 | (11,475) |

The Designated fund represents the net book value of the Charity's head office at Lower Clapton Road. The charge to the fund has been increased to bring the value in line with the net book value in 2019/20.

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.

STATEMENT OF FUNDS FOR PRIOR YEAR

| | 31 March 2018 | | | | | 31 March 2019 |
|--|--------------------------|-----------------------------|-----------------------------|--------------------|-------------------------------|--------------------------|
| | Brought forward £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Other gains/(losses) £'000 | Carried forward £'000 |
| SUMMARY OF FUNDS | | | | | | |
| <u>Unrestricted funds:</u> | | | | | | |
| Designated funds | 1,365 | - | (37) | - | - | 1,328 |
| General fund | 612 | 1,885 | (2,888) | 56 | - | (335) |
| Total unrestricted fund before pension deficit | 1,977 | 1,885 | (2,925) | 56 | - | 993 |
| Less pension deficit | (13,100) | - | (185) | - | (1,206) | (14,491) |
| Restricted funds | 571 | 3,113 | (3,145) | (56) | - | 483 |
| Total funds | (10,552) | 4,998 | (6,255) | - | (1,206) | (13,015) |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted funds £'000 | Unrestricted funds £'000 | Total funds £'000 |
|---|---------------------------|-----------------------------|----------------------|
| Tangible fixed assets | - | 1,233 | 1,233 |
| Net Current Assets | 296 | 280 | 576 |
| Provisions, long-term liabilities and pension liabilities | - | (13,284) | (13,284) |
| Net assets/(liabilities) at the period end | 296 | (11,771) | (11,475) |

ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE PRIOR YEAR

| | Restricted funds £'000 | Unrestricted funds £'000 | Total funds £'000 |
|---|---------------------------|-----------------------------|----------------------|
| Tangible fixed assets | - | 1,855 | 1,855 |
| Net Current Assets | 483 | (845) | (362) |
| Provisions, long-term liabilities and pension liabilities | - | (14,508) | (14,508) |
| Net assets/(liabilities) at the period end | 483 | (13,498) | (13,015) - |

15. OPERATING LEASE COMMITMENTS

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

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

| | 2020 | 2019 |
|---|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £'000 | £'000 |
| Not later than one year | 15 | 83 |
| Later than one year but not later than five years | 1 | - |
| | 16 | 83 |

16. 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 £160k (2019: £154k) 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 2021 is nil.

The disclosures set out below are based on the financial data supplied by Mercer, 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 to 31 March 2020. This was updated at 31 March 2020 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:

| | 2020 | 2019 |
|--|-------------|------|
| | % | % |
| Discount rate | 2.4 | 2.4 |
| Inflation (CPI) | 2.1 | 2.2 |
| Salary increases | 3.6 | 3.7 |
| Increases to pension in payment | 2.2 | 2.3 |
| Life expectancy current pensioner age 65 male | 22.7 | 23.1 |
| Life expectancy current pensioner age 65 female | 25.7 | 26.3 |
| Life expectancy pensioner age 65 male 20 years' time | 24.2 | 25.3 |
| Life expectancy pensioner age 65 female 20 years' time | 27.6 | 28.6 |

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2020 were:

| | 2020 | 2019 |
|---|------------------------|-----------------|
| | Value of assets | Value of assets |
| | £'000 | £'000 |
| Equities | 24,417 | 25,605 |
| Other bonds | 4,841 | 6,889 |
| Property | 7,451 | 8,837 |
| Cash/liquidity | 210 | 227 |
| Other | 5,178 | 3,762 |
| Total fair value of assets | 42,097 | 45,320 |
| Present fair value of funded benefit obligations | (55,368) | (59,811) |
| Deficit | (13,271) | (14,491) |
| Components of pension cost | 2020 | 2019 |
| | £'000 | £'000 |
| Interest on pension liabilities | (1,418) | (1,455) |
| Interest on plan assets | 1,072 | 1,116 |
| Total pension cost charged to expenditure (note 8) | (346) | (339) |
| Change in benefit obligation | 2020 | 2019 |
| | £'000 | £'000 |
| Benefit obligation at beginning of year | (59,811) | (56,657) |
| Interest on pension liabilities | (1,418) | (1,455) |
| Actuarial (losses)/gains | 4,396 | (3,096) |
| Benefits/transfers paid | 1,465 | 1,397 |
| Benefit obligation at end of year | (55,368) | (59,811) |
| Change in plan assets | 2020 | 2019 |
| | £'000 | £'000 |
| Fair value of Scheme assets at beginning of year | 45,320 | 43,557 |
| Expected return on plan assets | 1,072 | 1,116 |

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

| | | |
|--|---------------|----------------|
| Actuarial (losses) / gains | (2,990) | 1,890 |
| Employer contributions | 160 | 154 |
| Benefits/transfers paid | (1,465) | (1,397) |
| Fair value of Scheme assets at end of year | <u>42,097</u> | <u>45,320</u> |
| Statement of actuarial gains/(losses) | 2020 | 2019 |
| | £'000 | £'000 |
| Change in benefit obligation | 4,396 | (3,096) |
| Change in plan assets | (2,990) | 1,890 |
| Net gain / (loss) | <u>1,406</u> | <u>(1,206)</u> |

17. RELATED PARTIES

Brian Smouha a Trustee until July 2019, is a trustee of the Coalition for Efficiency which is working with Volunteering Matters on a joint programme Measuring the Good. There were financial transactions between Volunteering Matters and the Coalition for Efficiency to the value of £44 relating to 2019/20 (2018/19: £1,475). There were no other related party transactions during the year.

19. Statement of Financial Activities for the period ended 31 March 2019

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total to 31 March 2019 £'000 |
|--|--------------------------------|------------------------------|------------------------------------|
| INCOME AND ENDOWMENTS FROM: | | | |
| Donations and legacies | 77 | 202 | 279 |
| Charitable activities | 1,775 | 2,911 | 4,687 |
| Property income | 33 | - | 33 |
| TOTAL INCOME AND ENDOWMENTS | <u>1,885</u> | <u>3,113</u> | <u>4,998</u> |
| EXPENDITURE ON: | | | |
| Raising funds | 259 | - | 259 |
| Charitable activities | 2851 | 3145 | 5996 |
| TOTAL EXPENDITURE | <u>3,110</u> | <u>3,145</u> | <u>6,255</u> |
| Net expenditure for the year | (1,225) | (32) | (1,257) |
| Transfers between funds | 56 | (56) | - |
| Other recognised gains/ (losses): | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | (1,206) | | (1,206) |
| NET MOVEMENT IN FUNDS | <u>(2,375)</u> | <u>(88)</u> | <u>(2,463)</u> |
| RECONCILIATION OF FUNDS: | | | |
| TOTAL FUNDS / (DEFICITS) B/F | (11,123) | 571 | (10,552) |
| TOTAL FUNDS / (DEFICITS) C/F | <u>(13,498)</u> | <u>483</u> | <u>(13,015)</u> |