

ROYAL VOLUNTARY SERVICE

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDING 27 March 2022

CHARITY NUMBER: 1015988

CHARITY NUMBER (SCOTLAND): SCO38924

COMPANY NUMBER: 2520413

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We are pleased to present Royal Voluntary Service's Trustees' Annual Report and Financial Statements for 2021-22.

Letter from our Chair, Stephen Dunmore and CEO, Catherine Johnstone

The past year has been challenging for everyone as we have navigated the enduring impact of the COVID 19 pandemic. We have worked under pressure in these turbulent times, as have all organisations who support vulnerable people in hardship, but we remain resolute, delivering the vital support so many people rely upon.

We have been proud to walk alongside the NHS and during 2021-22 we continued to deliver large-scale volunteer support for the NHS when it was needed most. Our legion of volunteers in the NHS Volunteer Responders programme continued their work and we mobilised thousands of volunteers when Omicron struck. Their support was essential to helping with the sprint delivery of millions of vaccines to protect the public as the new variant spread. In winter, the NHS called again for our help, this time to assist patients leaving hospital. Our volunteers have provided the practical and emotional support they needed and have enabled hospitals to create space for new admissions. We are pleased that the year also saw the gradual and careful reopening of our vibrant community services and clubs.

This has, of course, been a long drawn-out crisis and the road ahead is still uncertain. Our retail estate – which we rely on for income – is now in recovery mode after being closed almost entirely. We have seen our fundraising changing shape and adapting to new environments.

At Royal Voluntary Service, 2021-22 has also been a year of innovation. We must pay tribute to the development teams at Royal Voluntary Service who have spear-headed the creation of exciting new services. New social prescribing offers have been developed which put volunteers at the heart of imaginative solutions. Our Dementia services and cafes are also expanding, offering lively, weekly support with carers joining in the fun. Our focus on Equality Diversity and Inclusion has also developed as we recognised we need to do more to foster a diverse and inclusive workplace. This aspiration will require a fresh approach and a robust framework that combines accountability, leadership and behavioural change.

During the year, we continued to work on our sustainability. Across the charity we have reduced our travel considerably and we are now working towards our plan for central support teams to work remotely as standard. Further details on our sustainability improvements can be found on pages 14-15.

We believe volunteering can transform lives for the better and we are proud to have played our part in ensuring this is recognised and embedded in policy and practice. We are delighted volunteering has been included prominently within the Government's Levelling Up White Paper. We have also taken a lead role on the Volunteering Taskforce led by the Chief Executive of the NHS, Amanda Pritchard. The taskforce is designing the future of volunteering within the NHS. Meanwhile, as co-founders of Shaping the Future with Volunteering, we are building a powerful coalition of leading volunteering charities who are working together to improve volunteering experiences and their impact.

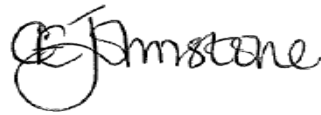
Thank you to all our partners and funders for your generous support. We are also very grateful to our excellent Board of Trustees who have stood alongside us throughout this sometimes difficult

journey and to our staff and Leadership Team, who have been steadfast in their endurance and commitment.

But most of all, we'd like to thank all our amazing volunteers. Without you, none of this would be possible.

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Stephen Dunmore, OBE, Chair

A handwritten signature in black ink that reads "C. Johnstone" in a cursive, flowing script.

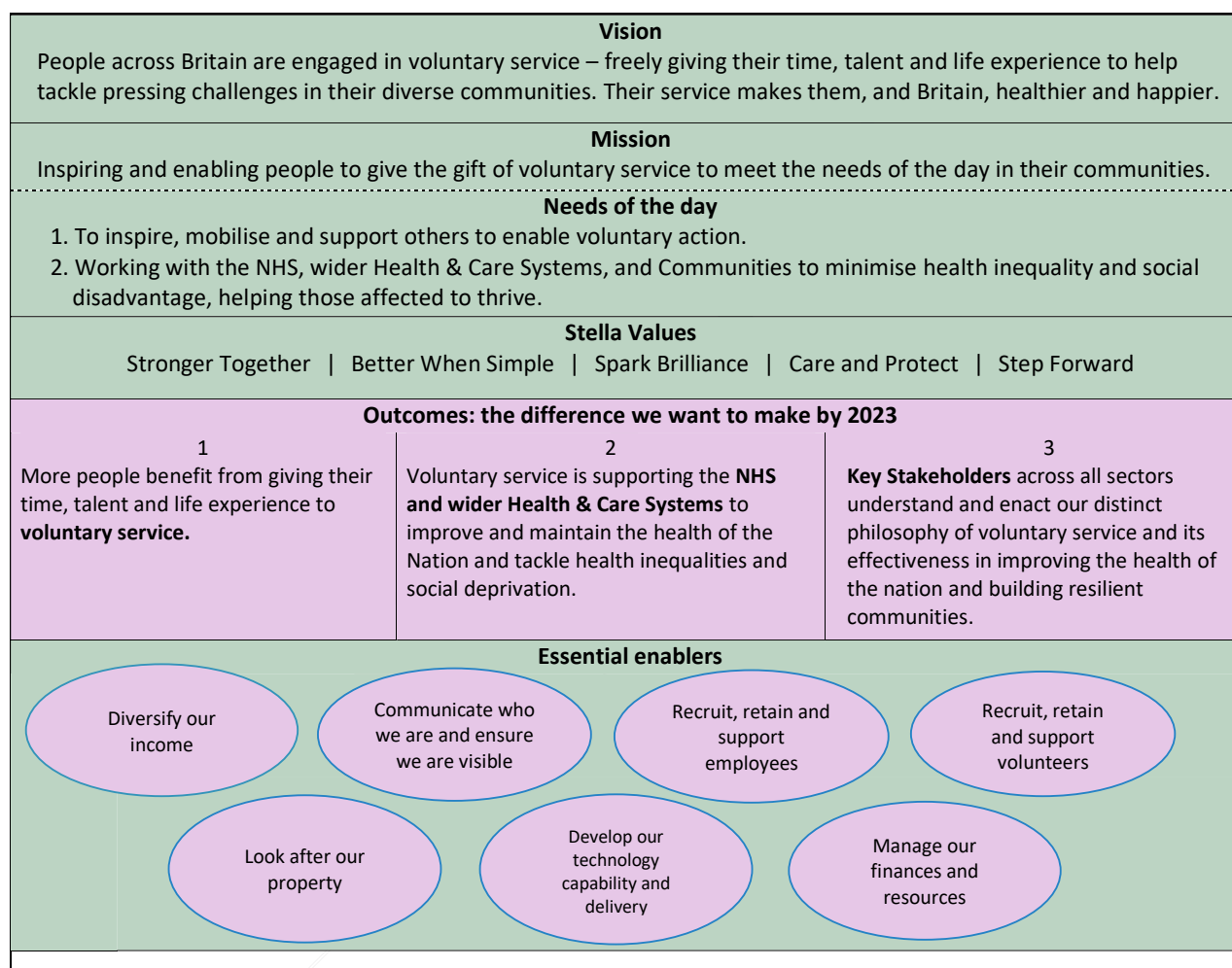
Catherine Johnstone CBE, CEO

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Trustees' Report, including Strategic Report

Our Vision, Mission and Values

Royal Voluntary Service puts voluntary service at the heart of our purpose. Like our founders, we will be prepared to address the needs of the day whatever they are.



Making a Difference

In 2021-22 – through the ongoing adversity of the COVID 19 pandemic - we stepped forward and made good progress across all outcomes referenced in our strategic framework. The clear relevance of Royal Voluntary Service' mission – 'to inspire and enable voluntary service to meet the needs of the day' has ensured we have been able to play a central role in the nation's response to COVID 19. As reported last year we have updated our strategy to put greater focus on health and well-being goals and health inequalities. This will enable us to focus on COVID 19 recovery and our next annual report will use this as its reference point. The strategic period has been extended to 2024.

The original 5 year strategy for 2018-23 and what we have achieved so far:

Original 5-year Strategy 2018-23 (abridged)

We will build on existing capabilities and footprint. Our vision and mission are broad but in recognition of our current capabilities and footprint, our strategy through to 2023 is to:

- Focus on the needs of the day which we are currently addressing – supporting people who are isolated or in poor health; and supporting the NHS particularly through the COVID 19 pandemic.
- Focus on engaging more people in later life (circa 55+) in voluntary service whilst continuing to be inclusive to those under 55.
- We will continue to open up access to volunteering so everyone can reap its benefits.
- We will better connect our services in each community to enable them to make more impact and be more efficient.
- We will be a more collaborative organisation, engaging in more strategic partnerships to help deliver our desired outcomes.
- Geographic expansion will be driven by evidence-based need and linked to areas of health inequality. Although we would like to be active in all parts of the UK we will not embark on a wider footprint for the sake of it.
- We will achieve financial sustainability by investing in new sources of income generation to reduce our dependency on retail income. While retail will remain a key income stream in the foreseeable future, we will build a more diverse and cost-effective income pipeline.
- We will invest in organisational capacity and capabilities.

What we have achieved 2018-2022

- We have built and developed our existing capabilities and footprint through our re-defined service models that improve service delivery and also our joined-up approach with the NHS.
- We have reconnected with our volunteer base putting them at the heart of the organisation. We have developed and communicated our Principles of Volunteering and have enhanced the volunteer journey experience across the organisation. We have been accredited with Investors in Volunteering and are particularly focusing on diversity and inclusion.

- Targeted volunteer recruitment campaigns (driven by our Step Forward campaign and through NHS Volunteer Responders and Vaccination Stewards) have been implemented focusing on volunteers across all ages and backgrounds.
- We initiated a micro-volunteering programme in partnership with and funded by NHS England (NHSE) as a response to the COVID 19 crisis and have successfully delivered the programme during the pandemic, with over 2.4m tasks carried out by the volunteers. We have also been successful in recruiting volunteers for other large National commissioned programmes including over 90,000 Steward Volunteers for the COVID 19 Vaccination programme. We have put in place a pathway to regular RVS volunteering and created the Hour of Need campaign to be the focus for all our volunteer recruitment opportunities.
- Our support services have been redefined and designed to deliver on the needs of the day focusing on supporting people in hospital and supporting people at home. We grew our dementia services portfolio through partnership with Alzheimer's Society. Our support of hospital patients through the NHS Winter Pressures programme utilising volunteers has been significant and we have supported many clients at home through Telephone Support calls. We have developed new relationships in Services Welfare with the army management team and have continued to deliver support to soldiers on the army bases.
- Our volunteer led services have connected people to their communities through their tailored offerings. Through the COVID 19 pandemic we have strived to deliver COVID 19 safe services where possible but as these have been paused, we expanded the Virtual Village Hall, an online venue hosting a number of events and offerings.
- Our geographic expansion is driven by careful consideration of the opportunities available, including National Contracts. We have strategically targeted areas where there is already representation of Retail, Commissioned Services and Volunteer-led activity. As part of our response to the pandemic we have responded to the challenges of reduced retail income by successfully tendering for and delivering national NHSE commissioned services and we have re-aligned resources, ensuring the right roles in the right places.
- We have developed our fundraising income pipeline and have restarted face to face fundraising as restrictions have eased. The pandemic has enforced a pause on some fundraising, but new relationships have been made with organisations donating to Royal Voluntary Service for the first time. Whilst trust and corporate fundraising are currently very challenging, we have developed a targeted approach aligning fundable activities with potential funders.
- Strategic partnerships to help deliver our outcomes have been developed with a number of key organisations including St John Ambulance, Alzheimer's Society and The Richmond Group. We have also been asked to play a leading role in a number of Government forums.
- We have been very active in Thought Leadership and strategic level engagement in particular regarding agenda setting for volunteering in the integrated health and social care system through the COVID19 recovery and beyond. We are jointly leading the Shaping the Future with Volunteering coalition, are actively engaged with The National Academy of Social Prescribing (NASP), are working with SJA on the Volunteer Passport scheme and are represented on the NHS England Workforce Advisory Panel. We have continued to publish evidenced based insights in partnership with leading universities.
- We have invested in our people through the people plan and we have completed our Technology Transformation Programme to strengthen our infrastructure and enable home working during the pandemic.

Annual Review of key Strategic Outcomes:

1. Royal Voluntary Service is supporting the NHS and wider Health & Care systems to improve and maintain the health of the nation and tackle health inequalities and social deprivation.

Royal Voluntary Service has provided at-scale volunteer support to the NHS and care system throughout the 2021-22 across a broad range of services. Where we opened new services, we focussed on areas affected by health inequality and social deprivation:

- We continued to deliver the extraordinary, large scale NHS Volunteer Responders programme for NHSE in partnership with GoodSAM. Our volunteers provided assistance to keep vulnerable people safe and supported during COVID 19. Help with shopping, companionship phone calls and patient transport have proven invaluable. During the year we delivered a total of 494,143 tasks supporting 61,799 clients.
- We assisted the NHS in England with the delivery of COVID 19 vaccinations. Steward volunteers attended vaccination sites and are essential to support the public and ensure the efficient running of sites. In response to the Omicron emergency, we assisted the NHS with the rapid roll-out of boosters in December and January. During the year we have delivered 260,388 shifts across 1,855 sites.
- To help the NHS cope with pressure on capacity, we established and mobilised 16 new services across 8 localities to support the NHS with 'Winter Surge' – providing help for patients recently discharged from hospital. This has helped the NHS to smooth the discharge process, thereby creating more room for admissions. And we opened our national calling service aimed at providing 'step down' support and companionship for those clients still in need after their initial period of support ended, this work is supported by Players of People's Postcode Lottery.
- In our hospital retail environments, we oversaw the safe reopening of the majority of sites and by March 2022, we had 114 sites open. We also expanded into new settings which meet our objectives with our first launches in Leisure centres and the National Sports Centre at Crystal Palace. Through our retail activities during the year we gifted back £293k to NHS Trusts and Health Boards across Great Britain.
- In the community, funding from the COVID 19 recovery fund has supported the expansion of our dementia services. 30 services reaching 659 people have been running this year.
- Our branch network of community clubs and groups was supported to safely reopen and as of March 2022, we had 285 active branches of which 172 had reopened. There were 112 branches which have closed post-pandemic.
- We concluded the final year of our Local People's Programme work funded by People's Health Trust which has provided community development resources into areas which are more affected by health inequalities. 1,525 participants were supported in six local communities. We are pleased the legacy of this work will continue.
- Our Virtual Village Hall continued to offer its diverse range of classes and tutorials online to support the health and wellbeing of those who are more vulnerable. Over the course of the year we delivered 453 new sessions to 47,288 followers via Facebook Live. The service has drawn 1.9m views. Meanwhile our First Time for Everything programme was back up and running this year, and we delivered a total of 78 lively and exciting in-person events to build social connections among those at risk of social isolation. 545 participants

benefited this year. Both of these projects are funded by Players of People's Postcode Lottery.

- Our clients have benefited enormously from our support, as shown by our annual National Client Survey.
 - 94% of clients said our support helped them feel less isolated
 - 93% said it helped their mental health and wellbeing
 - 64% said it helped their physical health
 - 88% said it helped them feel better able to cope
 - 82% said it helped them feel more confident
 - 62% said it helped them access other services in the community

In 2022-23 we will:

- Continue to successfully support the NHS with the COVID 19 vaccination programme, the NHS Volunteer Responders Programme and 'Surge' support.
- Tender, as appropriate, for the long-term volunteer support system for the NHS, which will be the legacy of the COVID 19 response via NHS Volunteer Responders.
- Deliver and grow local health and care services including dementia, stroke and home from hospital services.
- Set up and support new Services Welfare officers on new army bases.

2. More people benefit from giving their time, talent and life experience to voluntary service.

Throughout the COVID 19 pandemic, we have seen the very best of volunteers and volunteering. At Royal Voluntary Service it has been a privilege to work with so many of these wonderful volunteers who have devoted their time, experience and compassion to supporting others in their communities during this time of crisis. During 2021-22 we inspired and supported volunteers in the following ways:

- We welcomed 3,173 new volunteers to the charity's community services in 2021-22
- We inspired and supported a further 45,888 volunteers to join the vaccination programme and the NHS Volunteer Responders programme. We did this in conjunction with The Sun newspaper's 'Jabs Army' campaign.
- We also offered a range of flexible roles to volunteers including our new Emergency Response Volunteer and our Telephone Support Volunteer. The Emergency Response Volunteer (ERV) involves signing up to help for short periods of time, assisting the charity to respond to an immediate need. It has proved very popular and we recruited 2,545 ERV's to the charity in 2021-22.
- We ran two waves of our Step Forward campaign to invite new volunteers to join us. This campaign is designed to appeal to a diverse, multi-cultural audience. In the Autumn we focussed on younger people aged 18-25, taking our campaign onto university campus sites. In January we focussed on an early retiree audience. As a result of the campaigns 5,800 volunteers enquired to join the charity as volunteers.
- We have welcomed a new Equality, Diversity and Inclusion (EDI) lead to the charity, and have a plan in place to support the charity's improvement in this area.

- We attended the inaugural Volunteer Expo event – held online – with Chief Executive, Catherine Johnstone CBE, taking the key-note speaker slot and we celebrated Volunteer’s Week.
- We further developed our communications to our volunteers increasing the frequency and upgrading the content, and we began a major development of a new Volunteer Management System which will go live in 2022-23.
- Our volunteers enjoy their volunteering with Royal Voluntary Service and find the experience richly rewarding and beneficial to their own health and well-being. Our annual volunteer survey revealed the following:
 - 94% said that volunteering with Royal Voluntary Service gave them a sense of purpose
 - 96% said they felt they were making a difference
 - 81% said it improved their mental health and well-being
 - 52% said it improved their physical health
 - 69% said it gave them new skills and experiences
 - 89% said it helped them stay connected to their communities

In 2022-23 we will:

- Recruit and retain volunteers for our range of programmes and retail services, welcoming volunteers of all ages and backgrounds.
- Improve the accessibility of volunteering for all and extend the health and wellbeing benefits of volunteering through our new EDI programme.
- Improve our volunteer recruitment and retention with the launch of our Volunteer Management System, Customer Relationship Management System and initiatives designed to further improve the volunteer experience including a new Reward and Recognition framework.

3.Key Stakeholders across all sectors understand the value of volunteering and its effectiveness in improving the health of the nation and building resilient communities

In 2021-22 we have grown our influencing work still further, and have built on our important partnership working. Volunteering has been centre stage throughout the pandemic and we believe there is a moment to seize if Britain wants to embed the benefits for the long-term. Our work in this area has been significant throughout the year and has included the following activities:

- We were asked to join the NHS Volunteering Taskforce leading on the important Volunteer Experience workstream. This work will report in 2022-23 and will position volunteering for the future with the NHS.
- We have maintained connections with Ministers and Officials in key government departments, including attending the Conservative Party Conference where we met with the Minister for Care, and engaged at fringe events with the Secretary of State for Health.
- The Department for Levelling Up, Housing and Communities has responded positively to our engagement with them, including volunteering within the recent White Paper on Levelling Up.

- Our latest research report in our series ‘Kickstarting a new volunteer revolution’, was focussed on volunteering and health inequalities and was produced in conjunction with Dr Eddy Hogg from the University of Kent. This report has been widely shared with stakeholders across political parties, officials, fellow third sector organisations and academics.
- Our partnerships have gone from strength to strength. The Shaping the Future with Volunteering group of charities – which Royal Voluntary Service co-founded with Scouts to share best practise and leverage post-pandemic opportunities for volunteering – has several live programmes including a focus on ‘volunteering in rural areas’ and a pilot project in Bradford.
- Our work continued with St John Ambulance and British Red Cross on our Volunteer Passport pilot which is now in live testing, to seek simpler ways for volunteers to work for multiple charities.
- Our Chief Executive has been appointed deputy chair of the Richmond Group of Charities – the coalition of leading health charities. Meanwhile Sport England has continues to support the Richmond Group’s ground-breaking ‘We Are Undefeatable’ campaign. The campaign inspires physical activity among those with multiple health conditions.
- Royal Voluntary Service’s partnership with NASP and NHSE launched the Accelerating Innovation in Social Prescribing programme. The programme is designed to grow the contribution of national charities to social prescribing in communities. So far 122 national charities have joined the initiative.
- As ever, the Royal Household has been a wonderful champion of our charity. In March 2022 we launched The Platinum Champions Awards to celebrate outstanding volunteers on the occasion of our patron HM The Queen’s Platinum Jubilee. This was in partnership with HRH The Duchess of Cornwall, the charity’s President and kindly supported by our long-term partner, M&G. The awarded nominees will be announced ahead of the Jubilee weekend in June 2022.

In 2022-23 we will:

- Continue our contribution, and leadership role on the NHS Volunteering Taskforce
- Deliver thought-leadership positions on volunteering and continue to influence commissioners, NHS leaders, Government, officials and other sector leaders.
- Grow influence and insight through production of thought-leadership reports, including an exploration of volunteering and social care, the next in our ‘Kick-starting a new volunteer revolution’ series.
- Build on our strategic partnership working with ‘Shaping the future with volunteering’ charities, Voluntary and Community Sector (VCS) infrastructure, Voluntary and Community Sector Emergencies Partnership (VCSEP), NASP and Richmond Group.
- Deliver a proof of concept for a Volunteer Passport in health with St John Ambulance and British Red Cross.

Other achievements in the year

Throughout 2021-22 the profile of the charity continued to grow, powered forward by our media engagement, marketing and partnership activity. Our high-profile work on NHS Volunteer Responders including The Sun's 'Jabs Army' campaign, our collaborations with The Together Coalition and Thank You Day plus our far-reaching volunteering campaigns including the launch of Platinum Champions have ensured Royal Voluntary Service and its message was seen or heard about in the media over 2 billion times.

During the year we published our people plan and we have engaged our staff further with our values. We also built our new employee value proposition which launched with a video to attract new talent. We were also delighted to extend our staff provision of financial, emotional and well-being support through an upgraded benefits package. Meanwhile, in team development we have welcomed our new Head of Safeguarding to further build our practice in this vital area of work.

The year also saw a significant improvement to our IT systems as part of a programme which will continue for a further two years. All colleagues have now moved across to Microsoft TEAMS to support collaborative working and we have introduced new layers of security into our systems. We also designed and readied the movement of our office-based servers to cloud based storage as we transition towards a more digitised working-style. Our website was upgraded to a contemporary Content Management System and our new Electronic Point of Sale (EPOS) system for our retail estate has been designed for installation in 2022-23.

Finally, in Services Welfare, our work supporting single and unaccompanied service personnel at army and tri service locations was initially affected by the pandemic. However, with regular communications with the Chain of Command at these locations, we were able to continue supporting service personnel, either through a helpline or by pre-arranged one to one meetings. Six new services were also set up in 5 locations in the UK (Dishforth, Tidworth, Chicksands, Melton Mowbray and Thorney Island). Services Welfare now work on a "business as usual" basis with no restrictions on visits by service personnel to the Services Welfare centres.

Fundraising

Our charity relies on the generous donations of partners and individuals to support our work. During the course of 2021-22 fundraising continued to be impacted by COVID 19 in a number of streams. However, funding from our supporters enabled us to provide significant life-transforming services to our clients throughout the year.

In 2021-22:

- We continued, in Individual Giving, to build our donor base through innovative campaigns; 'Giving Our All, Always' is being presented in multiple channels and, in particular, is being deployed in digital.
- A new NHS-focussed offer, 'Buy a cuppa for the NHS', was delivered within our retail sites and also online.

- We re-opened our face to face fundraising team in Manchester attracting new regular givers to the charity.
- We are extremely grateful to Players of People's Postcode Lottery, whose generous support has enabled delivery of key volunteering programmes in our communities and high impact service delivery online.
- We strengthened our relationships with our corporate partners, working again with Yakult on our Safe, Warm and Well campaign and with Smart Energy UK.
- We were also extremely grateful to long-term partner M&G, who supported our flagship Platinum Champions Award programme with the Royal Household to mark our patron, HM The Queen's 70 year reign.

We are registered with the Fundraising Regulator demonstrating our commitment to good fundraising practice and are committed to the Code of Fundraising Practice and Fundraising Promise. We are authorised to use the Fundraising Regulator's badge on our fundraising materials. We have signed up to receive suppressions under the Fundraising Preference Service and we have received 9 requests through this channel during the year which have been actioned. We received only 14 complaints about fundraising during the year, all of which were dealt with in line with our fundraising complaints policy and procedure. This is a low number compared to the volume of fundraising activity we have undertaken and reflects the careful approach we take to ensure we do not bombard donors, and that the content of our fundraising is appropriate. Our fundraising teams are regularly trained on the Fundraising Regulator's Code of Fundraising Practice.

We take proactive steps to ensure the protection of vulnerable people through our fundraising activity. We develop our fundraising materials in line with ethical standards, which we have built to ensure vulnerable people will not be adversely affected by our content. We have also developed our own training programme to build on this insight for our face to face fundraisers which they must complete successfully before commencing fundraising activity.

We have also worked with partner agencies (Human Led, Pick and Evolution Recruitment) to deliver high-quality temporary fundraisers carrying out some street fundraising on our behalf. All our fundraisers are managed by team leaders and regional face to face fundraising managers. This structure provides a clear line management structure and a point of escalation if there are issues of concern.

We ran a number of small telemarketing campaigns to recruit or reactivate Direct Debit donors using an external agency QTS. We also use QTS to welcome and quality check our face to face donor recruits to improve retention as well as obtain feedback on supporter experiences, which have been very positive.

In 2021-22 the Chartered Institute of Fundraising's mystery shopping were not operating during the course of the year. However, we undertook external audits including observations and mystery shopping ensuring compliance with the Code of Fundraising Practice and the Fundraising Promise.com.

We do not undertake door-to-door fundraising.

The Environment

Royal Voluntary Service considers its environmental and social responsibility and carbon footprint of high importance. The Trustees supported by the Chief Executive Officer and the Leadership Team have overall responsibility for our approach to sustainability.

In our Retail operations we have undertaken a number of key initiatives to reduce our environmental impact for example offering a discount to all customers who bring their own cups, our bespoke coffee blend is Rainbow Alliance and our hot chocolate is Fairtrade, we change our menus regularly enabling seasonal produce to be used while our range of syrups is sugar free.

We work closely with our supply-chain partners challenging them to make improvements. We are reducing transport costs (we have consolidated our key suppliers thus halving the number of drop-offs at our retail sites), reducing packaging (using compostable materials wherever possible) and our main operations are a mix of office-based activities and retail spaces within NHS Hospital Trust properties and are considered to have a relatively low impact on the environment.

During 2021-22 and in line with the Greenhouse Gas Protocol and Streamlined Energy and Carbon Reporting (SECR), we commissioned a report with ECA Business Energy. As required by the Greenhouse Gas Protocol, the report looked at Scope One – Combustion of fuel on-site and transportation and Scope Two – Purchased Energy (Electricity).

Use of the air conditioning and heating system has increased during the year but remained below pre COVID 19 levels given the limited use of the main office building. With services remaining closed and with the surrender of some leases through 2021-22 there has been a reduction in energy consumption across Royal Voluntary Service sites.

Royal Voluntary Service is moving to establish a predominantly home-based working environment. This will significantly reduce the time staff travel to and from work as well as events and meetings resulting in considerable reductions in the associated carbon footprint. While this will not result in year on year savings going forward, it does embed the current, historically low, impact for the future.

Report Output

ECA Business Energy gathered data for scopes 1-2 for the financial year ended 27 March 2022 from the Charity's UK Operations, for inclusion in Company Reporting (2019) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation and March 2019 Department of Business, Energy and Industrial Strategy (BEIS) Environmental Reporting Guidelines.

The location-based emissions show the emissions produced when using average carbon conversion factors for the UK, provided by BEIS.

Emissions Detail by Fuel Type

Fuel Type	Units	Location Based Method		
		Base Year	Previous Year	Current year
		2019-20	2020-21	2021-22
Electricity	tCO ₂ e	95	29	61
Natural Gas	tCO ₂ e	72	67	40
Transport (Petrol, Diesel & Hybrid)	tCO ₂ e	124	55	17
Total	tCO₂e	291	151	119
Electricity	kWh	369,723	125,596	287,388
Natural Gas	kWh	393,160	363,140	221,023
Transport (Petrol, Diesel & Hybrid)	kWh	538,436	226,346	70,457
Total	kWh	1,301,319	715,082	578,867

The locations-based emissions for Royal Voluntary Service reduced from 151tCO₂e in 2020-21 to 119tCO₂e in 2021-22, an emissions decrease of 21.5%.

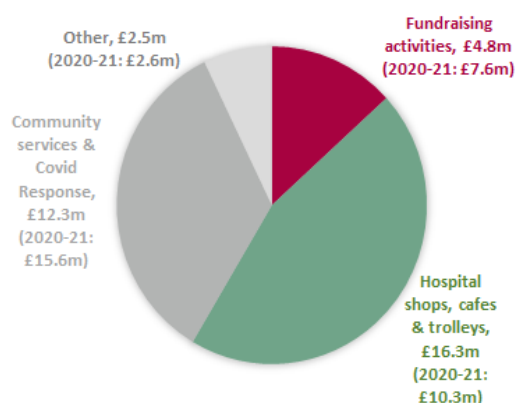
Our Financial Review

2021-22 was dominated by the pandemic with the re-emergence of the virus in the early autumn of 2021 followed by the high levels of infection caused by the Omicron variants. The impact on the NHS was significant and meant that after promising early signs of recovery in our hospital shops and cafes this stalled at the beginning of the second half of the year and sales have only just started to increase again. However, we continued to support NHSE in their COVID 19 response Volunteer Responder and Vaccination Steward programmes, albeit at a lower level than in the first year of the pandemic. The ongoing incidence of the virus meant that we had to be cautious about resuming our community operations to protect our vulnerable clients, as in the previous year we provided support to many of them by finding other ways than face to face meetings. The fundraising environment was more challenging than the previous year as many supporters of our COVID 19 emergency response appeal went back to their traditional charities. We were therefore particularly grateful for the continued support from our key donors.

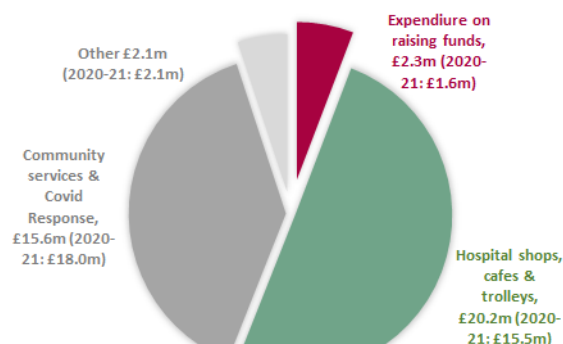
Despite these challenges we recognised the need to invest in the future of the charity and we provided funds for continued IT developments, investment in ED&I and new Volunteer Management and EPOS.

Key income and expenditure highlights:

Income £35.9m (2020-21: £36.1m)



Operating expenditure £40.2m (2020-21: £37.2m)



Other significant items:

- Financial support from the Coronavirus Job Retention reduced to £0.7m as the scheme ended in September 2021 (2020-21: £2.6m);
- The disruption throughout the year caused by the Covid 19 variants meant that the charity returned an overall deficit of £4.2m (2020-21: surplus £0.8m, including net gains on investments of £1.9m);
- Ended the year with a strong cash & investments position of £15.4m (2020-21: £20.3m); and
- Total Funds and Reserves remain healthy at £15.0m (2020-21: 19.2m).

The ongoing threat of the pandemic returning and the uncertainty over the speed at which hospitals will be able to return to their pre-pandemic way of life means that predicting the future levels of income remains difficult and we keep them under constant review including regular forecasting, updating and managing the Principal Risks identified.

We are positive about the underlying demand for our service and future budgets reflect steady recovery of retail shops and cafes, the continuation of our contracts with NHSE contracts, Winter Surge programmes and renewal of existing community contracts.

Operating income

During the year our income of £35.9m was slightly lower than the previous year while also reflecting a change in the mix of income streams as hospital retail income increases were offset by lower NHSE contract income and a fall in fundraising income:

- hospital shops, cafes and trolleys £16.3m (2020-21: £10.3m). The year on year improvement reflect stores re-opening throughout the UK following a vastly disrupted year in 2020-21 due to the pandemic. Stores are now open for longer and hospital visitors being allowed to return. At the end of March 2022, a total of 117 stores were trading

(2020-21: 85 in March 2021) with nearly all of the main services now open, albeit that the ongoing impact of the Omicron variant means that footfall is still well below pre-pandemic levels. New shops and cafes have opened up at non-NHS locations, including leisure centres, as we diversify our income sources while still aligning our retail activities with our charitable purpose. Unfortunately, the trolley services were unable to return to normal working conditions due to ward restrictions which are now slowly being relaxed. 50 of the smaller services remain closed and will be reviewed in 2022-23. The increased income from re-opening shops and cafes has been offset with reduced income from the Coronavirus Job Retention Scheme - £0.7m of income in 2021-22, compared to £2.6m in 2020-21 (scheme finished September 2021).

- fundraising, see note 2 of the financial statements, which comprises of voluntary income and activities for generating funds, £4.8m (2020-21: £7.6m). Income has dropped by £2.8m as the COVID 19 Appeal was not replicated in 2021-22 (£2.3m of the reduction). Elsewhere Royal Voluntary Service prize draws and raffles are being phased out, to be replaced by a new RVS branded lottery income stream following rollout of the new EPOS system. The social restrictions associated with the Delta and Omicron variants has meant that this year has been extremely challenging in raising individual voluntary donations (for example the postponement of face to face fundraising due to the pandemic).
- community services generated income of £12.3m (2020-21: £15.6m) with £3.1m of the decrease represented by a reduction in COVID 19 related national contracts, though this represents the recharge of lower pass-through costs. Whilst we continue to support the NHS as it recovers from the pandemic we are also concentrating on preparing to reopen our community centres, clubs and branches. Our telephone befriending and check in and chat lines remain a strong method of support for both volunteers and recipients and hospital community transport schemes provide a valued service as local clinics start to reopen with fewer local social distancing rules in place.
- Services Welfare £2.3m (2020-21: £2.4m)
- Other £0.2m (2020-21: £0.2m) including the net gain on disposal of the Hereford & Pickering Centres and surrender of lease at Derby centre.

Operating expenditure

Total operating expenditure for the year was £40.2m (2020-21: £37.2m) and was spent on the following areas:

- hospital shop, cafe and trolley retail services increased to £20.2m in the year reflecting an increase in the number of stores open (2020-21: £15.5m) and the overall increase in costs reflects the increased activity including - goods for resale £8.9m (2020-21: £4.3m);
- community services £15.6m (2020-21: £18.0m). The direct cost to deliver services at £11.1m, see note 6 of the financial statements (2020-21: £13.7m) showed a net decrease of £2.6m mainly due to the change in services delivered for NHSE under the national Covid 19 for support contracts. Expenditure has increased in other services including Living Well with Dementia programmes, National Academy for Social Prescribing, Shaping the Future of Volunteering and developing a Volunteer Passport (the latter two in

conjunction with other charity partner's). Allocation of support costs have increased slightly to £4.5m (2020-21: £4.3m).

- fundraising £2.3m (2020-21: £1.6m). The increase in year on year costs of £0.7m has resulted from a reduction in community fundraising costs £0.2, offset by £0.9m provision for additional VAT costs.
- Other costs £2.1m (2020-21: £2.1m), including costs to deliver Services Welfare.
- Support costs are included in the activities above and listed in note 6 of the financial statements, and amount to £9.4m (2020-21: £8.6m). During the year, Royal Voluntary Service has continued to invest in improved systems and security; introduced a role dedicated to Equality, Diversity and Inclusion; undertaking a full review of our fundraising activity and started work with external partner to review staff pay and grading.

Investments

In 2020-21 investments held at Cazenove and Sarasin were sold with a net gain on investment of £1.9m. The proceeds from the sale are currently being held in cash until a more stable environment has been established including recovery of our retail estate, investment in fundraising activities and continued renewal of key community contracts.

Reserves

Trustees regularly monitor the level of reserves via the monthly management accounts. When planning and budgeting, Trustees consider reserve levels to ensure an appropriate balance between the short and long term needs of the organisation. Once identified, projects are provided for in designated reserves, consistent with the 5 year strategic plan. This is combined with the need for prudent management of services and programme commitments, and for provision for the potential impact of contingent events.

The Trustees undertake an annual review of the designated reserves and the assumptions that underpin them. 2021-22, in line with the Corporate Plan, has focused on the continued diversification of income streams and safeguarding general reserves to secure our future prospects.

It is the policy of Royal Voluntary Service to maintain reserves at a minimum level that ensures the future sustainability of the organisation ensuring that the Charity is able to meet its obligations as they fall due. The following factors will be taken into account in arriving at the value of those minimum reserves:

- forecasts for levels of income for the current and future years, taking into account the reliability and recovery of each source of income and the longevity of new income sources;
- forecasts for expenditure for the current and future years on the basis of planned activity and taking into account the recent staff realignment programmes;
- analysis of any future needs, opportunities, commitments or risks where future income alone is likely to fall short of the amount of the anticipated costs; and

- assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for the charity of not being able to make up that shortfall

During the year the Trustees reviewed the level of future planned expenditure and have updated the Corporate Plan to reflect the revised focus going forward. Therefore, the level of Minimum Reserves at the end of the financial year was judged to be £6.1m (2020-21: £4.5m). This compares with the value of General Reserves of £7.2m (2020-21: £11.1m).

Total fund balances decreased by £4.2m to £15.0m during the year. As at 27 March 2022 these comprise:

- £3.1m of funds restricted for specific purposes, including £1.8m received from COVID-19 Support Fund to develop dementia services over the next two years (2020-21: £2.0m) and £0.2m for the social prescribing innovation fund managed jointly with the National Academy of Social Prescribing (2020-21: £0.2m);
- £4.7m of funds designated for specific use (see breakdown below) (2020-21: £4.4m); and
- £7.2m of general funds (2020-21: £11.1m).

Designated funds include:

- £0.3m for the hospital fund;
- £3.0m for fixed asset fund (including £1.2m Assets Under the Course of Construction representing a new EPoS till system for retail shops and cafes and Volunteer Management System, both of which will be rolled out in 2022-23);
- £0.3m remaining to develop a new CRM system; and
- others at £1.1m as detailed in note 14 of the financial statements.

During the year the Trustees approved two new designations - £0.1m contribution to the National Academy for Social Prescribing project and £0.2m to complete activities under way but not completed in 2021-22, including IT improvements and Web development.

Subsidiary undertakings

Royal Voluntary Service has two wholly owned subsidiary companies registered in England and Wales which are consolidated into the group Statement of Financial Activities.

1. WRVS Services Welfare Limited provides emotional and practical support to service personnel within the army and some tri service locations in the UK, including Northern Ireland and overseas in Germany, Cyprus and Canada.

Paid trained staff work predominantly in the evening and at weekends to ensure welfare support is available to service personnel during their down-time and where no physical welfare support is available. WRVS Services Welfare Officers manage areas, allocated by the Chain of Command at the unit, including for example a games room, communal lounge, TV/film room and study/quiet space. Due to COVID-19 pressures in 2020-21 the service moved towards a more tailored socially distanced support model. However, during 2021-

22 Service Welfare Officers were able to re-open centres and provided one to one welfare support to over 2,100 service personnel including both face to face and continuation of the helpline telephone service (2020-21: 1,800).

For the financial year 2021-22 the reported income in the subsidiary was £2.3m (2020-21: £2.4m) and the expenditure £2.3m (2020-21: £2.4m). Royal Voluntary Service receives a management fee for delivering the service amounting to £0.2m (2020-21: £0.2m).

- 2 Royal Voluntary Service Meals on Wheels Limited was set up to deliver meals to those in need in their homes, via commercial contracts with local authorities. Activity in the subsidiary ceased by the end of March 2019. Since then, a small number of closure transactions have been dealt with and minimal audit fees incurred. No income was reported in the year ended 27 March 2022 (2020-21: nil) and operating loss was £2k (2020-21: £2k). The planned closure of the company has been delayed whilst it is considered whether the subsidiary can usefully be repurposed to support potential non-primary purpose trading activity. It is not considered appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The charity's subsidiary undertakings are set out in Note 11 of the financial statements. Income from trading subsidiaries has been included within income from charitable activities in the Statement of Financial Activities.

Principal risks and uncertainties

The charity records significant strategic and operational risks in its Risk Register. This is monitored by the Leadership Team. The Audit and Risk Committee and the Trustees have oversight. It is considered that the principal risks arising from the Risk Register are as follows:

PRINCIPAL RISK

Insufficient unrestricted income generation from all or any of fundraising channels, hospital setting trading income, corporate donations and sponsorship, grant providers and commissioners - leading to inability to provide services

The charity is unable to exploit opportunities within the health and care environment post COVID 19 and post Brexit

Software applications used by the charity fail to adequately support its operational

MANAGEMENT OF RISKS

Income risk is mitigated by focusing on a diverse range of income streams. Existing and new sources of income generation are vigorously pursued and monitored. Appropriate KPIs are used to identify areas of concern and any responses are applied in a timely way.

Trustees have considered and revised the charity's strategic plan in response. This allows key relationships developed with external stakeholders and health and social care led charities to be built upon and to be converted into service delivery activities.

An updated IT Strategy has been developed and is being implemented, including the roll

activities and/or cannot be invested in risking staff and volunteer morale and productivity and income generation.

out of a new EPOS system to our retail environment and a new Volunteer Management System to support our volunteer activity. A refresh to our new HR system has been completed.

The Change and Transformation Programme is too ambitious and cannot be delivered in the intended time period with the necessary investment

The Change and Transformation Programme is informed by agreed strategic objectives and its delivery is included in the charity's annual plan of activity. Work is phased and overseen by the Leadership Team to keep it on track.

External environment (COVID 19 and economic forces) impacts ability to deliver services due to reduced availability of existing volunteer cohort and sector wide recruitment issues

Activities have been undertaken to improve access for all to our opportunities. These include reviewing our recruitment processes and our recognition structures.

The charity works to mitigate these risks by applying the structure, governance and management below.

Our Structure, Governance and Management

Our people and advisors are set out on page 30.

Structure and public benefit

Royal Voluntary Service is a charitable company limited by guarantee in England and Wales (number 2520413). It was incorporated on 10 July 1990 and registered as a charity in England and Wales (number 1015988) on 31 December 1992 and in Scotland (number SC038924) on 27 November 2007. Its registered office and principal address are at Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP. The charity's Memorandum and Articles of Association dated 25 September 2015 set out the charity's legal objects and describe the public benefit as:

"The relief of poverty, distress, suffering or need among all sections of the community primarily in the United Kingdom by all charitable means and particularly by providing:

- *assistance largely in kind and facilities for individuals in the community*
- *assistance in kind to victims of emergencies or disasters*
- *advice and facilities to relieve the needs of those in hospital, in prison or in the armed service and their families; and*

such other purposes for the benefit of the community as shall be exclusively charitable"

The Trustees confirm that they have complied with the duty of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing

Royal Voluntary Service's aims and objectives and in planning future activities they refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

The charity has two wholly owned subsidiary companies both registered in England and Wales. These are WRVS Services Welfare Limited (number 2778476) and Royal Voluntary Service Meals on Wheels Limited (number 2778481 and currently dormant).

Governance and Management

The charity's Trustees are responsible for the overall governance of Royal Voluntary Service. As well as being a Trustee of the charity, each Trustee is also a member of the limited company. The charity must have between 6 and 12 Trustees each of whom may be appointed for a maximum of 2 three-year terms of office. A specialist recruitment agency is generally used to help recruit Trustees and to support an interview process. Those who have served during the year are listed on page 30.

The Board of Trustees exists to safeguard and promote the vision and purpose of Royal Voluntary Service, to determine its strategy and structure and to ensure that it operates effectively and responsibly. Responsibility for the day to day running of the charity is delegated to the Chief Executive Officer via the charity's Governance Framework. This is kept under regular review and adherence to it monitored via an annual Governance and Compliance Review.

The Charity Governance Code is also used by the Trustees to guide their work and that of the charity. During the year Trustees piloted and then successfully implemented a move from paper to digital circulation of Trustee and Committee meeting packs. This has brought welcome efficiencies in terms of resource need to produce meeting packs and helped reduce the charity's reliance on paper. Previous focus on the charity's Equalities, Diversity and Inclusion work has seen the recruitment and appointment of the charity's first Equalities, Diversity and Inclusion Programme Lead. Trustees look forward to working with the charity's staff and volunteers to take forward the charity's EDI ambitions.

Trustees agreed that the Code's recommendation regarding an external governance review was to be dis-applied and that a review was not needed at this point – the monitoring of the charity's governance and assurance structures being continued via the Audit and Risk Committee as supported by the charity's internal Governance Team which sits independently of operational matters.

Trustees hold at least four scheduled meetings a year with additional meetings as necessary. These have been held virtually during the COVID 19 pandemic using remote technology; provided the environment is safe for our staff and volunteers, it is hoped that physical meetings will soon be back on the agenda. Between these meetings Trustees receive a Chief Executive Officer Report – she is supported by the charity's Leadership Team comprising the Deputy CEO (also the Director of Services), the Finance Director, the Director of Change and Transformation, the Director of Fundraising, Marketing and Communication and the Head of Governance. During the year the charity's Director of Volunteering took up a new position elsewhere and the role was replaced by Director People and Head of Safeguarding roles.

The Trustees are supported by three Board committees which meet as required and in accordance with regularly reviewed terms of reference. Each committee reports to the Board of

Trustees, is chaired by a Trustee and supported by at least two other Trustees. Members of the Leadership Team and other senior managers join the committee meetings as appropriate and external professional advice is sought as necessary. The three committees each meet four times a year and are:

- The Audit and Risk Committee – this considers reports regarding internal control systems, risk management processes and the report on the annual audit from external auditors. It also receives and considers regular Health & Safety reports, the charity's risk register and the charity's Assurance Dashboard
- The Investment and Finance Committee – this scrutinises the charity's annual budget and financial performance, its cashflow and liquidity reserve, to oversee any investment portfolio and to scrutinise business cases for the charity's proposed project investments
- The People and Remuneration Committee – this considers volunteer and employee issues and reviews the performance and remuneration of the Chief Executive Officer, the size, structure and composition required of the Trustee Board and succession planning for Trustees and senior management. It also considers the charity's Pay Policy and Remuneration Strategy and monitors the charity's Safeguarding risks and activity.

The Board of Trustees retains authority for all matters that are not delegated by the charity's Governance Framework or separate specific delegation. Responsibility for financial matters (including reviewing and approving the annual budget), the (re)appointment of Trustees and the appointment of the Chief Executive Officer rests with the Board of Trustees.

A Trustee induction programme is in place and each new Trustee (suspended whilst COVID 19 restrictions are in place) visits services and meets with senior management within Royal Voluntary Service at an early stage of their Trusteeship where practicable. Ongoing support is provided as required to ensure Trustees are aware of changes to the legal and regulatory framework affecting the charity and their roles and responsibilities within it. Royal Voluntary Service has also purchased trustee indemnity insurance, as outlined in Note 8 of the financial statements.

Changes in Trustees and Executive Directors

No new Trustees were appointed during the year and the six new Trustees who joined the previous year have continued to settle in and make valuable contributions to the charity. We were however very saddened at the death of our Trustee, Mike Bury, chair of our Investment and Finance Committee. Mike was a thoughtful, supportive and friendly Trustee and his leadership and presence will be missed by us all.

Our Director of Volunteering, Rebecca Kennelly moved during the year to take up a well-deserved opportunity with another volunteering organisation. Rebecca made an enormous contribution to the charity during the pandemic, leading the operational delivery of our NHS Volunteer Responders Programme. We were very proud to hear the news of her MBE for this outstanding work and whilst sad to see her leave us, we wish her well in her new post. The Director of Volunteering role has been replaced with new Director of People and Head of Safeguarding roles and we welcome both of our new colleagues to those roles.

Risk management and internal controls

The Trustees, who are also the directors of the limited company for the purposes of company law, have overall responsibility for the system of risk management and internal control for the charity and its subsidiaries.

Trustees use the charity's Risk Management Policy and risk register when considering the main risks facing Royal Voluntary Service and its risk appetite. The Leadership Team keeps the risk register under regular review and reports quarterly to the Audit and Risk Committee and Trustees on changes to the risk register. The risk register has helped in the process of identifying the continuing risks associated with the COVID 19 pandemic and the charity's actions have been tailored as appropriate.

The charity has also introduced a new Assurance Dashboard which aims to provides "at a glance" an indication of any key controls which might need further consideration. This has proved a useful tool and will continue to be used to inform Leadership Team and Trustees. During the year the charity's Audit and Risk Committee also received the usual Internal Audit Tracker and worked with management to embed a risk management culture by using control and risk self-assessment to manage the working environment effectively.

The charity produces a detailed annual budget which is monitored monthly by the Leadership Team and reported on quarterly to the Investment and Finance Committee and Trustees. Updated financial forecasting is generally undertaken at the half year stage to reflect changes to the original budget assumptions and the impact on the projected income and expenditure. When necessary more frequent forecasting, analysis and reporting is undertaken.

The Audit and Risk Committee oversaw the charity's fraud review. This included a comprehensive review of the potential for fraud within all areas of the charity and culminated in the adoption of a new Counter Fraud Policy supported by appropriate procedures. A Fraud Review will become part of the Audit and Risk Committee's annual calendar of work and whilst no adverse events of note have yet been subject to the new processes, it is good practice to have reviewed and implemented a refreshed protocol.

Remuneration and pensions

The People and Remuneration Committee reviews employee reward and recognition, including salaries and pension provision for all employees. The Committee (and as subsequently approved by the Trustees) recognised the enormous effort that employee (and volunteers) had made during the COVID 19 pandemic and determined that a small pay rise of 1% was appropriate. The Committee also undertook the charity's annual gender pay review which was published as required and on the charity's website. The results again showed that the charity's gender pay

gap is largely predicated on the higher number of females who work in part time (and often lower paid) roles.

The People and Remuneration Committee also received the usual report from the charity's Pension Governance Committee (a non-Trustee internal group) which has responsibility for procuring defined contribution pension schemes for the charity's employees. During the year, the group ensured that newsletters on pension topics were distributed to employees, including communications regarding nomination of pension beneficiaries.

Volunteers and employees

Our Strategic Framework 2018-24 continues to place the inspiration and enablement of voluntary service at the heart of everything the charity does. This year has been a living embodiment of voluntary service; our staff and volunteers have once supported the NHS and those vulnerable to COVID 19 throughout the pandemic with the mobilisations of thousands of volunteers through the dedicated NHS Volunteer Responder and NHS Vaccination programmes.

Our existing and new volunteers continue to make a massive difference in their communities, to those who are vulnerable and in the NHS. Their commitment and impact are of immeasurable benefit of which we are enormously proud.

We have continued to make significant strides in the delivery of our People Plan which is a key supporting element of our Strategic Framework. We were proud to launch our 'Employee Value Proposition', helping to further embed our Stella values. The arrival of our new Equality, Diversity and Inclusion Programme Lead has been very welcome and demonstrates the charity's commitment to ensuring that equality diversity and inclusion rightfully sits at the centre of our people initiatives.

The health and wellbeing of our staff has also been a focus and we were delighted to announce our work with Westfield Health which provides staff with opportunity to take up a variety of occupational assistance programmes to support their personal wellbeing and health. Take up has been very positive.

The Employee Forum, providing a direct communication channel between the charity's staff and the CEO remains in place and meets quarterly to discuss key topics and developments and to support the roll out of the People Plan.

Trustees' responsibilities

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term: Our Board of Trustees sets the strategy for our charity page 5 which aims to inspire and enable the gift of voluntary service to meet the

needs of the day in our communities. This strategy is the reference point for decision making ensuring the charity stays on its agreed course. We regularly review the external environment and will ensure that our plans are updated to accommodate changes to circumstances in order to protect the charity and the delivery of its objectives.

The interests of the company's employees: Our employees support and work alongside our volunteers to deliver vital services in communities. In a geographically dispersed organisation it is vital that we take particular care to support and engage our employees and ensure we have two-way open channels for feedback and ideas sharing. This has been particularly important in the pandemic. The provision of occupation benefits has been key in this regard and this has been supported by the addition of new material to our Wellbeing Hub. Our regular Employee Forum continues to be valued and constructive – this sees elected employee's meetings directly with the Chief Executive Officer to facilitate engagement across the charity. Forum events are complemented by 'Town Hall' events which allow wider access to the Chief Executive Officer and Leadership Team with Q&A opportunities and strategy updates.

The need to foster the company's business relationships with suppliers, customers and others: Positive relationships with our partners, commissioners and suppliers, are key to our success. We support our relationships with suppliers through our Procurement Team and by policy frameworks and departmental staff responsible for delivery. Larger supplier relationships have a named individual responsible for managing the relationship. Our commissioners, will be supported by specific project managers who are responsible for programme delivery, proactive problem solving and regular reporting of outcomes. Regular two-way communication is embedded to maintain positive working relationships throughout the life-cycle of programmes. Our service beneficiaries (clients and participants) and our volunteers are surveyed annually to track our impact and canvass valuable feedback. Volunteer engagement is a key priority for our organisation.

The impact of the company's operations on the community and the environment: The impact of the charity on the community is central to our mission and delivery. Our volunteers and staff devote their time to improving the lives of vulnerable people in communities and hospitals by supporting their health, well-being and their social connections. Further information on how this is delivered can be found throughout this report.

We recognise our responsibility to care for the environment and our aim is to minimise our environmental impact. As a geographically dispersed organisation we are increasingly adopting technology to connect to one another, reducing our car fleet and discouraging unnecessary travel between sites. We continue to use video-conferencing tools to meet and provide online training and education resources for our teams. We enable and encourage home-working where practical and have many roles purely based from home, reducing travel to and from office locations and the associated CO2 emissions. Paper-based communications are reducing as we move increasingly to online channels for volunteer, staff and supporter engagement. In particular we have been pleased to roll out the successful use of a digital platform for the circulation of Leadership Team, Trustee Board and Trustee Committee papers, significantly reducing the paper required for our governance meetings. Where paper is needed, we aim to minimise environmental impact, where possible, using recyclable material. Our staff and volunteer magazine is now recyclable and the cover is fully compostable. More detail is available in The Environment section.

The desirability of the company maintaining a reputation for high standards of business conduct: Public trust in Royal Voluntary Service is key to our reputation and continued success. Our 'Stella Values' and our new Employee Value Proposition provide a foundation for the behaviours and standards we expect (see page 5). These are used throughout the charity and support our recruitment processes as well as our employee appraisals. These values are underpinned by a full set of policies, procedures and contracts which govern the conduct of our charity and our teams from our fundraising policy to our procurement policy to our employee contract. Our whistleblowing procedures are clear and accessible ensuring that there is a ready route for staff, volunteers and partners to anonymously raise important concerns. We also have a clear complaints process for our supporters managed by our supporter care team.

The need to act fairly as between members of the company: Royal Voluntary Service operates in communities across Great Britain and we aim to be fully inclusive, and easy to access for everyone. Royal Voluntary Service is naturally a diverse organisation and draws its teams from the local communities it serves. We value all forms of difference in employees, volunteers, our clients, participants and our supporters.

To foster positive engagement across communities we make information available in different languages relating to the communities we operate within and ensure we have representative imagery on our promotional materials. This programme is continuing to build into 2022. This approach signals that Royal Voluntary Service is a welcome environment for all. Our fundraising work is carefully designed to avoid harm, recognising vulnerabilities of some of our supporters.

We publish our Gender Pay Gap information clearly on our website and are working to close the gap further.

No form of discrimination, bullying or harassment is tolerated at Royal Voluntary Service and we have procedures in place including clear policies setting out our expectations, complaints processes, whistleblowing channels, and disciplinary procedures.

Our Chief Executive continues to lead our work on the charity's Equality, Diversity and Inclusivity programme which will continue to be a priority for 2022. Our new EDI Programme Lead joined the charity towards the end of the financial year and we are looking forward to seeing the engagement, recommendations and improvements from that work. This programme will seek to embed EDI principles consciously throughout Royal Voluntary Service, threading EDI into each of the charities key strategic work-streams.

Accounting and Reporting

The Trustees are responsible for preparing the Annual Report (including strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group and charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The Trustees have considered the latter point in the context of the continuing uncertainties over the COVID 19 pandemic. The pandemic, and the social distancing measures adopted to reduce its impact, including the lockdowns announced during 2021-22 continued to provide significant challenges, for example the impact on the NHS and its staff in the hospitals that comprise our retail estate as well as requiring our continued support the nation and the NHS through the delivery of the NHS Volunteer Responders programme and the COVID 19 volunteer vaccination stewarding programme. The success of the COVID 19 crisis appeal of 2020-21 meant that Fundraising income fell though key donors remained very supportive.

Despite the success of the vaccination programme in achieving high levels of take up of the vaccine and the boosters there were significant increases in infection in the general population in the second half of 2021-22 albeit with lower levels acuity. The high numbers of people in hospital with COVID 19 and high levels of staff sickness meant that the NHS remained under pressure. While none of our retail units closed as a result the restrictions in place meant that our footfall, while higher than the previous year, remained well below pre-pandemic levels.

While retail income was 50% higher than the previous year there remain risks, particularly around the threat of new variants of the virus. As well as the risk mitigation activities set on pages 18-19 of this report, the Trustees have considered and approved plans to make sure that the expenditure in the foreseeable future will properly reflect the likely level of income expected, while still delivering the charity's objectives as set out on pages 5-11 of this report. This has included the review of the charity's Designated Reserves and their underlying plans, looking at ways of diversifying income streams and reviewing some of our retail leases. Importantly the plans also allow for flexibility should the demand for retail and other services grow more quickly than expected.

Progress against those plans, as well as the development of the environment in which the charity operates, is monitored on a frequent and detailed basis and reported to the Trustees when they meet, which is more often if necessary. This will enable new trends to be identified quickly and appropriate action to be taken.

The Trustees have reviewed detailed financial and cash projections for the charity under a number of different scenarios and therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. A new counter-fraud policy and programme of activity was launched during the year.

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

Disclosure of information to the auditor

The Trustees, who are also directors for the purposes of company law and, who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed he/she has taken all the steps he/she ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish it has been communicated to the auditor.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This Report of the Trustees (including the Strategic Report) was approved by the Board of Trustees on 22 September 2022.

A handwritten signature in dark ink, appearing to read 'S. Dunmore', followed by a long horizontal line extending to the right.

Stephen Dunmore OBE
Chair of the Board of Trustees

Appendix - Our People and Advisers

Patron

HM, The Queen

President

HRH, The Duchess of Cornwall

Ambassadors

Felicity Kendal
Roy Noble OBE
Elaine Paige OBE
Josette Simon OBE

Dame Patricia Routledge DBE
Phillip Schofield
Wayne Sleep OBE

Trustees

Unless otherwise indicated, the Trustees listed below were in office from 1 April 2021. Committee membership is also noted:

Stephen Dunmore OBE, (Chair)

Bayo Adelaja PR

Mike Bury IF

Deceased 30 October 2021

Dr Justin Davis-Smith CBE, PR

Frankie Herbert IF

Charlotte Lambkin PR

Margaret Moore (Deputy Chair) AR

Matthew Moorut AR

David Rose AR

Josephine Swinhoe IF

Richard Williams IF, PR

Committee chairs

AR: Audit and Risk Committee

Margaret Moore

IF: Investment and Finance Committee

Mike Bury until 14 September 2021

IF: Investment and Finance Committee

Richard Williams with effect from 14 September 2021

PR: People and Remuneration Committee

Charlotte Lambkin

Chief Executive and Company Secretary

Unless otherwise indicated, the employees listed below were in office from 1 April 2021:

Catherine Johnstone CBE, Chief Executive

Karyn Maria Shepperd, Company Secretary

Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Banker

Barclays Commercial Bank, 4th Floor, Apex Plaza, Forbury Road, Reading, RG1 1AX

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Schroder & Co Limited (trading as Cazenove Capital), 31 Gresham Street, London, EC2V 7QA

Solicitors

Geldards LLP, Dumfries House, Dumfries Place, Cardiff, CF10 3ZF

Royal Voluntary Service would like to thank all the individuals, community groups, organisations, companies and grant makers who have supported our work during the year, including:

The following table is the updated list from Sarah Henry, fundraising – for companies and trusts who have given £20k+. To confirm this is the full and final list

Ballinger Charitable Trust	Shetland Charitable Trust
Fife Voluntary Action	Sir James Knott Trust
Garfield Weston Foundation	Smart Energy GB
Lady Margaret Skiffington Trust	The Barbour Foundation
M&G plc	The Covid-19 Support Fund
Masonic Charitable Foundation	The Eveson Charitable Trust
National Lottery Community Fund	The Forteviot Charitable Trust
People's Health Trust	The Grace Trust
Players of People's Postcode Lottery	The WHSmith Trust
Scottish Government	Yakult

Independent Auditor's Report to the Members and Trustees of Royal Voluntary Service – to be received

Opinion

We have audited the financial statements of Royal Voluntary Services ('the charitable company') and its subsidiaries ('the group') for the year ended 27 March 2022 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statement 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 group's and the charitable company's affairs as at 27 March 2022 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 Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (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 and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; 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 trustees' responsibilities statement set out on pages 25-27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context the Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with. In addition to this we have also sample tested income streams and completed cut off testing around year end to ensure income has been recognised in the correct accounting period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

55, Ludgate Hill,

London

EC4M 7JW

Date 4th October 2022

Royal Voluntary Service

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 27 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Income							
Income from donations and legacies							
Voluntary Income	2	3,443	558	4,001	2,882	2,868	5,750
Income from charitable activities							
- Hospital services		16,279	-	16,279	10,284	-	10,284
- Community services		12,335	-	12,335	15,351	240	15,591
- Services welfare		2,287	-	2,287	2,374	-	2,374
Other trading activities							
- Activities for generating funds	2	740	14	754	1,778	27	1,805
Investments	5	13	-	13	18	-	18
Other							
- Net gain on the disposal of tangible fixed assets		270	-	270	246	-	246
Total income		35,367	572	35,939	32,933	3,135	36,068
Expenditure							
Expenditure on raising funds							
- Expenditure on raising voluntary income		1,343	-	1,343	305	-	305
- Expenditure on activities for raising funds		996	-	996	1,284	-	1,284
- Investment management costs		-	-	-	25	-	25
Expenditure on charitable activities							
- Hospital services		20,170	1	20,171	15,479	-	15,479
- Community services		14,731	896	15,627	16,836	1,180	18,016
- Services welfare		2,042	-	2,042	2,130	-	2,130
- Transition costs		-	-	-	-	-	-
Other							
- Net loss on the disposal of tangible fixed assets		-	-	-	-	-	-
Total expenditure	6	39,282	897	40,179	36,059	1,180	37,239
Net gains on investments	11a	-	-	-	1,937	-	1,937
Net (expenditure)/income		(3,915)	(325)	(4,240)	(1,189)	1,955	766
Transfers	14	289	(289)	-	90	(90)	-
Net movement in funds		(3,626)	(614)	(4,240)	(1,099)	1,865	766
Total fund balances brought forward at 29 March	14	15,489	3,721	19,210	16,588	1,856	18,444
Total fund balances carried forward at 27 March	14	11,863	3,107	14,970	15,489	3,721	19,210

All the above results derive from continuing activities and there were no gains or losses other than those shown above.
The accompanying notes on pages 39 - 53 are an integral part of these financial statements.

Royal Voluntary Service

Balance sheets

	Notes	27-Mar-22		28-Mar-21	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible fixed assets	10a	1,879	1,879	2,087	2,087
Intangible assets	10b	303	303	26	26
Investments	11a	10,420	10,420	11,063	11,063
Assets held for sale	10a	1,008	1,008	457	457
		13,610	13,610	13,633	13,633
Current assets					
Stocks		521	521	566	566
Debtors	12	3,057	2,591	2,351	2,127
Investments	11b	2,008	2,008	4,003	4,003
Cash at bank and in hand		2,983	1,898	5,262	3,975
		8,569	7,018	12,182	10,671
Creditors: Amounts falling due within one year	13	(7,209)	(6,974)	(6,605)	(6,381)
Net current assets		1,360	44	5,577	4,290
Total assets less current liabilities		14,970	13,654	19,210	17,923
Provision for liabilities		-	-	-	-
Net assets	15	14,970	13,654	19,210	17,923
Funds:					
Restricted funds	14	3,107	3,107	3,721	3,721
Unrestricted funds					
- designated funds	14	4,713	4,713	4,407	4,407
- general funds	14	7,150	5,834	11,082	9,795
Total funds		14,970	13,654	19,210	17,923

The parent company's net incoming resources/(resources expended) for the year ended 27 March 2022 totalled £(4,245,000) (2021: £790,000).

The accompanying notes on pages 39 - 53 are an integral part of these financial statements.

The financial statements on pages 36- 38 were approved and authorised for issue by the Board of Trustees on and were signed on its behalf by:

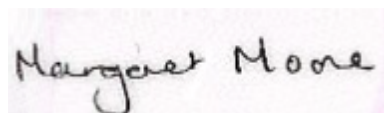
Stephen Dunmore OBE



Stephen Dunmore

Chairman

Margaret Moore



Margaret Moore

Trustee

Royal Voluntary Service
Consolidated cash flow statement
for the year ended 27 March 2022

	Notes	2022 £'000	2021 £'000
Net cash used in operating activities	a	(4,392)	(1,461)
Cash flows from investing activities:			
Dividends and interest from investments		13	18
Purchases of property, plant and equipment		(1,332)	(41)
Proceeds from sale of fixed assets		809	336
Investment released to cash		628	1,649
Investment Management Fees		-	25
Net cash provided by investing activities		118	1,987
Change in cash and cash equivalents in reporting period		(4,274)	526
Cash and cash equivalents at beginning of reporting period		9,265	8,739
Cash and cash equivalents at the end of the reporting period	b	4,991	9,265
Notes to the cash flow statement			
a) Reconciliation of cash flows from operating activities		2022	2021
operating activities		£'000	£'000
Net (expenditure)/income		(4,240)	766
Adjustments for:			
Depreciation charges		175	123
Amortisation on intangibles		13	14
Realised gain on investments		-	(1,937)
(Profit) on disposal of assets		(270)	(246)
Dividends and interest from investments		(13)	(18)
Decrease in stocks		45	161
Decrease/(increase) in debtors		(706)	35
Decrease in creditors		604	(359)
Net cash used in operating activities		(4,392)	(1,461)
b) Analysis of cash and cash equivalents		At 27 March	At 28 March
		£'000	£'000
Cash at bank and in hand		2,983	5,262
Notice deposits (less than 3 months)		2,008	4,003
Total cash and cash equivalents		4,991	9,265

Notes to Financial Statements for the year ended 27 March 2022

1 Principal accounting policies

a) Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, except where stated.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011, the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity has taken the exemption from presenting its unconsolidated SOFA under section 408 of Companies Act 2006. All income is accounted for on an accruals basis unless otherwise stated. The financial statements have been prepared to Sunday 27 March 2022 in line with the weekly income and cash returns which are received from our services.

Royal Voluntary Service is a charitable company limited by guarantee registered in England and Wales under company number 2520413. It is also a registered charity in England and Wales number 1015988 and in Scotland SC038924. The financial statements have been prepared on the basis that it is a public benefit entity under FRS102.

After making enquires, the trustees are not aware of material uncertainties that cast doubt on going concern and have a reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future as reflected in the Trustees' Report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity and all its subsidiary undertakings made up to the balance sheet date. The results of subsidiary undertakings are included in the group accounts from their effective date of acquisition (or up to their effective date of disposal). The financial statements and balance sheets of all subsidiary companies have been consolidated on a line by line basis.

c) Grants receivable

i) Grant from the Ministry of Defence

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding received for payroll, operating and capital costs unappropriated at the end of each accounting period is deemed to be repayable apart from agreed disallowable expenses.

ii) Government Grants

Grants from government bodies are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

iii) Other capital grants

Other capital grants received towards the cost of tangible fixed assets are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds where applicable. Annual transfers of amounts equivalent to any depreciation charges reduce the restricted funds.

iv) Other grants are received for specific services from local authorities and are recognised in accordance with their terms and conditions.

d) Income from the provision of hospital services

Income receivable from services provided in hospital cafés and shops is accounted for on an accruals basis in line with the timing of the underlying transaction.

e) Income from the provision and delivery of meals

Income receivable from local authorities for the provision and delivery of meals is credited to the statement of financial activities in accordance with the terms of the contract with the relevant local authority.

f) Donations and other voluntary income

Donations are accounted for in the year in which they are receivable.

g) Trusts & lotteries

RVS received grants from the Postcode Support Trust which is funded via players of the People's Postcode Lottery (PPL). These funds are accounted for when they are received.

Notes to Financial Statements for the year ended 27 March 2022

1 Principal accounting policies (continued)

h) Legacies receivable

Legacies are credited to the statement of financial activities when either the estate accounts or monies have been received. This uses the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement in accordance with the charities SORP FRS102.

i) Other charitable and trading income

Income is recognised in the statement of financial activities when there is evidence to entitlement to the gift or trading activity, receipt is probable and the amount can be measured reliably.

j) Expenditure

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and its charitable subsidiaries and includes direct staff attributable to the activity and an allocation of the general management and overhead costs. Support costs are apportioned based on cost drivers that reflect the type of activities carried on within the support departments.

Grants are given to hospitals and other institutions in line with the charity's objects and the amounts included represent the total cost incurred by the charity in the year and are recognised when a legal or constructive obligation exists which commits the charity to the cost.

Expenditure on raising voluntary income and on activities for raising funds comprises expenditure incurred by the charity in encouraging others to make contributions to it and apportioned overheads of the fundraising team.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, budgeting and accounting, quality assurance, human resources and information technology. Governance costs other than those disclosed specifically in the notes to these accounts are included within support costs and allocated on the same basis.

k) Governance

Governance costs are those associated with constitutional and statutory requirements, external audit, legal advice and insurance.

l) Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.

m) Tangible fixed assets

Purchased tangible fixed assets excluding office properties are recorded at cost or deemed cost, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Office properties were last valued in March 2014 and trustees were satisfied that this represented the fair value of the assets, which will be used as the basis for deemed cost going forward.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Depreciation on all other tangible assets is calculated so as to write off the cost or deemed cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic lives are given to each asset class unless there is a reason to use a different length of time:

Freehold buildings	50 years
Long leaseholds	Over the length of the lease
Short leaseholds	Over the length of the lease
Vehicles, IT, equipment and furniture	3-5 years

No depreciation is provided on freehold land, which is taken to be equal to 10% of the purchase price of the freehold land and buildings. Donated assets are included within the balance sheet at their current value at the date of the gift and also included within the statement of financial activities as income.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.

n) Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Notes to Financial Statements for the year ended 27 March 2022

1 Principal accounting policies (continued)

o) Investments

Current asset investments represent cash held on short term money market deposits and are stated at cost. The investment in the trading subsidiaries is also stated at cost.

p) Fund accounting

General funds comprise those monies that may be used towards meeting the charitable objectives of the group at the discretion of the Trustees. The restricted funds are monies raised for a specific purpose, or donations subject to donor imposed restrictions. The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.

q) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value.

r) Retirement benefits - defined contribution

For defined contribution schemes contributions are charged to the statement of financial activities as incurred.

s) Intangible fixed assets

Purchased intangible fixed assets are recorded at cost or carrying value, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Amortisation on all intangible assets is calculated so as to write off the cost, or valuation, of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic life is given to each intangible asset unless there is a reason to use a different length of time:

Computer software	3 years
-------------------	---------

Intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.

t) Financial instruments

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 have been applied in full, to all financial instruments.

Financial assets and financial liabilities are recognised when the Royal Voluntary Service becomes a party to the contractual provisions of the instrument, and are offset only when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Financial assets

Financial assets include cash (incorporating short term money market deposits), trade debtors, intercompany debtors, other debtors and accrued income.

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Notes to Financial Statements for the year ended 27 March 2022

1 Principal accounting policies (continued)

t) Financial instruments (continued)

ii) Financial liabilities and equity

Financial liabilities include trade creditors, other creditors, finance leases, loans and accruals.

Financial instruments are classified as liabilities.

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

iii) Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

u) Redundancy and termination costs

Employee benefits paid on redundancy or termination include accrued amounts where RVS is demonstrably committed to make these payments but they had not yet been made at 27 March 2022.

All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

v) Deferred income

Grants that have been received will be treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

w) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Significant areas of estimate and judgement include contract income recognition; claw back provisions on grants; useful economic life of assets; impairment of assets; recoverability of debtors; redundancy, termination, dilapidations or onerous leases. Related accounting policies for these items are noted within these accounting policies.

x) Cash and cash equivalents

Cash and cash equivalents include deposits repayable on demand without penalty.

Notes to Financial Statements for the year ended 27 March 2022

2 Voluntary income & Activities for generating funds

Group	2022			2021		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Voluntary income:						
Donations	804	15	819	924	3	927
Trusts & lotteries	2,568	518	3,086	1,810	2,831	4,641
Legacies	71	4	75	148	12	160
Other	-	21	21	-	22	22
Total voluntary income	3,443	558	4,001	2,882	2,868	5,750
	2022			2021		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Activities for generating funds:						
Property rental	12	-	12	3	-	3
Prize draws, raffles and corporate income	687	14	701	1,568	8	1,576
Fundraising & events	41	-	41	207	19	226
Total activities for generating funds	740	14	754	1,778	27	1,805

21% (2020-21: 36%) of the proceeds of the raffle were applied to good causes during the year.

3 Grants receivable

Group and Charity	2022 £'000	2021 £'000
Trusts & lotteries		
People's Health Trust	217	278
Asda Foundation	-	326
Covid-19 Support Fund	-	1,997
National Lottery Community Fund (Rethink Good Health programme)*	-	(5)
Garfield Weston Foundation	25	-
The Eveson Charitable Trust	5	-
Welsh Government (Sustainable Social Services Wales grant fund)	-	55
Jessie Spencer Trust	-	1
Shetland Charitable Trust	63	57
VSEF Small Grants	-	23
VSRF Small Grants	-	22
Julia & Hans Rausing	-	200
Fife Voluntary Action/Scottish Government: Communities Mental Health and Wellbeing Fund	10	-
Players of People's Postcode Lottery	2,536	1,438
Other grants	230	249
Total grants receivable (included within voluntary income)	3,086	4,641
Group and Charity	2022 £'000	2022 £'000
Income from charitable activities		
Coronavirus Job Retention Scheme	736	2,728
Leeds Social Service	194	204
Voluntary Action Rotherham	30	32
National Lottery Community Fund (People & Places)	-	19
Total grants receivable (included within income from charitable activity)	960	2,983

* During last year unspent grant was returned to Big Lottery Fund.

4 Lottery Income

Lottery income included in Trusts and lotteries in Note 2 and 3 reflects the proceeds from the People's Postcode Lottery (PPL). Royal Voluntary Service has continued to utilise the funds generated in prior years and remaining income is designated in note 14(n). RVS is now in receipt of grants via the Postcode Support Trust rather than receiving proceeds from the lottery direct.

	2022 £'000	2021 £'000
People's Postcode Lottery ticket value	-	3,981
People's Postcode Lottery prize fund	-	(1,562)
People's Postcode Lottery management fee	-	(951)
Prize indemnity insurance	-	(30)
Total net lottery income	-	1,438

Royal Voluntary Service also run raffles during the year the income and expenditure relating to these draws are reported within Activities for generating funds on the Statement of Financial Activities.

5 Investment income

Group	2022 £'000	2021 £'000
Income from fixed asset investments	-	-

Bank interest	13	18
Total investment income	13	18

Notes to Financial Statements for the year ended 27 March 2022

6 Total Expenditure - Group	Other	Direct costs	Support costs	2022	Other	Direct costs	Support costs	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital services	293	16,565	3,313	20,171	417	11,649	3,413	15,479
Community services	-	11,118	4,509	15,627	-	13,707	4,309	18,016
Services welfare	-	2,042	-	2,042	-	2,130	-	2,130
Fundraising*	-	729	1,610	2,339	-	686	903	1,589
Investment management costs	-	-	-	-	-	25	-	25
Total expenditure	293	30,454	9,432	40,179	417	28,197	8,625	37,239

Included within 'Hospital services' expenditure above are costs of inventories expensed of £8.9m (2020-21: £4.3m). Included in Other is £293k (2020-21: £417k) given to hospitals, NHS Trusts and similar institutions in line with the charity's objects and the amounts represent the total cost incurred by the group in the year.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

	Hospital services	Community services	Fundraising*	2021	
Support costs comprise:	£'000	£'000	£'000	£'000	Basis
Governance	376	417	-	793	No. people
Operations	1,606	916	-	2,522	Direct allocation
Marketing	149	522	-	671	No. services
IT	531	1,058	-	1,589	Direct and time allocated
Fundraising*	-	-	903	903	Direct allocation
Human Resources & Training	314	314	-	628	No. operational people
Central services	386	902	-	1,288	Allocation of duties
Properties	51	180	-	231	Number of services
Total Support	3,413	4,309	903	8,625	

	Hospital services	Community services	Fundraising*	2022	
Support costs comprise:	£'000	£'000	£'000	£'000	Basis
Governance	452	501	-	953	No. people
Operations	1,248	528	-	1,776	Direct allocation
Marketing	239	838	-	1,077	No. services
IT	454	904	-	1,358	Direct and time allocated
Fundraising*	-	-	1,610	1,610	Direct allocation
Human Resources & Training	253	253	-	506	No. operational people
Central services	612	1,291	-	1,903	Allocation of duties
Properties	55	194	-	249	Number of services
Total Support	3,313	4,509	1,610	9,432	

*Fundraising represents expenditure on raising voluntary income and raising funds in the statement of financial activities. Increase in overheads by £807k includes VAT provision £1,224k, offset by reduced year on year costs of £417k.

This expenditure is stated after charging:

Auditor's remuneration in the year:

Fees payable to the charity auditor for the audit of the parent charity and the consolidation

Fees payable to the charity auditor and its associates for other services:

- The audit of the charity's subsidiaries pursuant to legislation

Depreciation - tangible fixed assets

Amortisation - intangible fixed assets

Operating lease rentals

- land and buildings

- other

2022	2021
£'000	£'000
52	48
46	2
-	-
175	123
13	14
1,515	1,319
78	143

Notes to Financial Statements for the year ended 27 March 2022

7 Staff costs and Trustees' remuneration

Group

Staff costs during the year were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	13,573	14,795
Social security costs	1,082	1,120
Other pension costs	595	617
Subtotal staff costs	15,250	16,532
Redundancy	281	237
Other staff costs	681	499
Total staff costs	16,212	17,268

The number of employees who earned £60,000 p.a. or more (including taxable benefits) during the year was as follows:

	Excluding Severance		Including Severance	
	2022	2021	2022	2021
	No.	No.	No.	No.
£60,001 - £70,000	4	2	4	3
£70,001 - £80,000	3	4	3	4
£80,001 - £90,000	1	2	1	2
£90,001 - £100,000	-	-	-	-
£100,001-£110,000	1	2	1	2
£110,001-£120,000	2	1	2	1
£120,001-£130,000	1	-	1	-
£130,001-£140,000	-	-	-	-
£140,001-£150,000	-	-	-	-
£150,001-£160,000	1	1	1	1
£160,001-£170,000	-	-	-	-
£170,001-£180,000	-	-	-	-

The total contribution in the year for the provision of money purchase pension benefits was £97,949 (2020-21: £126,102) in respect of higher paid employees. At the year-end there were 13 (2020-21: 12) higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes.

The key management personnel comprise the Executive Team members in post during the financial year ending 27 March 2022. The total salary including benefits of the key management personnel was £581k (2020-21: £561k).

The average number of employees of the group, analysed by function was:

	2022	2021
	No.	No.
Operations	614	754
Support	141	156
	755	910
Full time	323	362
Part time	432	547
	755	909
FTE Equivalent	560	648

No Trustees received remuneration for any services as Trustees during the year to 27 March 2022 (2020-21: Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2022	2021
	£'000	£'000
Trustee travel expenses	-	-

8 Indemnity insurance

During the year, the group and charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any Trustee and to indemnify any Trustee against the consequence of any wrongful act on their part other than any actual dishonest, fraudulent, or malicious act. The total cover provided by the Charity Trustee insurance is £5.0m (2020-21: £5.0m) and Professional Indemnity is £5.0m (2020-21: £5.0m) and the total premium paid in respect of such insurance was £35,084 (2020-21: £21,632).

9 Taxation

Royal Voluntary Service is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiary, Royal Voluntary Service Meals on Wheels Limited, has not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Both subsidiaries are registered for VAT as part of the group.

Notes to Financial Statements for the year ended 27 March 2022

10 Fixed assets

(a) Tangible fixed assets

Group (including Charity)	Asset held for sale £'000	Assets under construction £'000	Freehold land and buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, IT equipment and furniture £'000	Total Tangible Assets £'000
Cost							
At 30 March 2020	-	-	2,623	655	-	5,862	9,140
Additions	-	-	-	-	-	41	41
Disposals	-	-	(105)	-	-	-	(105)
Transfer between classes	550	-	(550)	-	-	-	-
At 28 March 2021	550	-	1,968	655	-	5,903	9,076
Depreciation & impairment							
At 30 March 2020	-	-	437	315	-	5,672	6,424
Charge for year	-	-	60	7	-	56	123
Disposals	-	-	(15)	-	-	-	(15)
Transfer between classes	93	-	(93)	-	-	-	-
At 28 March 2021	93	-	389	322	-	5,728	6,532
Net book values							
At 28 March 2021	457	-	1,579	333	-	175	2,544
Cost							
At 29 March 2021	550	-	1,968	655	-	5,903	9,076
Additions	-	886	-	-	-	156	1,042
Disposals	(550)	-	-	(143)	-	(1,940)	(2,633)
Transfer between classes	1,326	-	(1,200)	(126)	-	-	-
At 27 March 2022	1,326	886	768	386	-	4,119	7,485
Depreciation & impairment							
At 29 March 2021	93	-	389	322	-	5,728	6,532
Charge for year	-	-	46	6	-	123	175
Disposals	(93)	-	-	(78)	-	(1,938)	(2,109)
Transfer between classes	318	-	(268)	(50)	-	-	-
At 27 March 2022	318	-	167	200	-	3,913	4,598
Net book values							
At 27 March 2022	1,008	886	601	186	-	206	2,887

Included in Assets held for sales, freehold land and buildings and leasehold land and buildings are office properties at a deemed cost of £1.1m, this was fair value at transition to FRS 102 (historic cost of £1.5m) at 27 March 2016. If office properties were held on an historic cost basis, the amounts included after depreciation would be £1.2m (2020-21: £1.2m).

Notes to Financial Statements for the year ended 27 March 2022

(b) Intangible fixed assets

Group (including Charity)	Intangible Assets under construction £'000	Intangible Assets £'000	Total Intangible Assets £'000
Cost			
At 30 March 2020	-	1,713	1,713
Transfer between classes	-	-	-
At 28 March 2021	-	1,713	1,713
Amortisation & impairment			
At 30 March 2020	-	1,673	1,673
Charge for year	-	14	14
At 28 March 2021	-	1,687	1,687
Net book values			
At 28 March 2021	-	26	26
Cost			
At 29 March 2021	-	1,713	1,713
Additions	290	-	290
At 27 March 2022	290	1,713	2,003
Amortisation & impairment			
At 29 March 2021	-	1,687	1,687
Charge for year	-	13	13
At 27 March 2022	-	1,700	1,700
Net book values			
At 27 March 2022	290	13	303

Notes to Financial Statements for the year ended 27 March 2022

11 a) Fixed asset investments

	Cash & Securities	Cash & Securities
Group and Charity	2022	2021
	£'000	£'000
Market value at 29 March 2021	11,063	10,800
Reinvested Income	-	-
Investment Management Fees	-	(25)
Investment released to cash	(643)	(1,649)
Increase in value of investment	-	1,937
Market value at 27 March 2022	10,420	11,063
Historic cost	10,420	11,063
Unrealised gain	-	-
Market value at 27 March 2022	10,420	11,063

Securities held at 27 March 2022 comprised the following:

	2022	2021
	£'000	£'000
Equity	-	-
Bonds	-	-
Cash & other	10,420	11,063
Fair value	10,420	11,063

Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2020-21 :£13). Royal Voluntary Service has 2 wholly owned subsidiary companies. All companies are incorporated in England. A summary of the activities and financial position of the subsidiaries is given in the table below:

	Income £'000	Expenditure £'000	Net surplus/(deficit) before distribution under gift aid £'000	Net Assets £'000
2022				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	-	2	(2)	993
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited (company number 2778476)	2,287	2,275	12	310
The provision of welfare and support to army service men and women serving on military bases throughout the world				
2021				
Royal Voluntary Service Meals on Wheels Limited (company number 2778481)	-	2	(2)	995
The provision and delivery of meals to those in need in their home				
WRVS Services Welfare Limited (company number 2778476)	2,374	2,394	(20)	298
The provision of welfare and support to army service men and women serving on military bases throughout the world				

b) Current asset investments

Group and Charity

This is cash held on short-term money market deposits to maximise return while enabling Royal Voluntary Service to meet potential short-term liabilities.

Notes to Financial Statements for the year ended 27 March 2022

12 Debtors

	2022		2021	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade debtors	1,680	1,231	821	591
Other debtors	28	28	29	29
Amounts due from group undertakings*	-	-	-	25
Prepayments and accrued income	1,349	1,332	1,501	1,482
	3,057	2,591	2,351	2,127

*The amounts due from group undertakings are trading balances and are therefore unsecured and do not attract interest. Included in the group figures above are £2,644k of assets at amortised cost (2020-21: £1,873k). Included in the charity figures above are £2,188k of assets at amortised cost (2020-21: £1,658k). There are no assets measured at fair value through profit or loss.

13 Creditors: amounts falling due within one year

	2022		2021	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade creditors	1,387	1,378	1,217	1,216
Social security and other taxes	639	484	417	280
Other creditors	121	97	139	117
Accruals and deferred income	3,676	3,629	3,499	3,435
Amounts due to hospitals	1,386	1,386	1,333	1,333
	7,209	6,974	6,605	6,381

Included in the group figures above are £5,643k of liabilities at amortised cost (2020-21: £4,889k). Included in the charity figures above are £5,563k of liabilities at amortised cost (2020-21: £4,801k). There are no liabilities measured at fair value through profit or loss.

Deferred income movement

	2022		2021	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Balance at 29 March 2021	1,299	1,299	288	288
Amount released in the year	(1,036)	(1,036)	(165)	(165)
Amount deferred in the year	664	664	1,176	1,176
Balance at 27th March 2022	927	927	1,299	1,299

Deferred income relates to contract income and local authority grants which have been received to carry out community services and where the terms and conditions state that any underspend is repayable, or is received in advance of the period to which it relates.

Notes to Financial Statements for the year ended 27 March 2022

14 Funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes. The transfer of funds represent:

- movement of funds where the restriction or designation has been expended or lifted
- release of funds back to general reserves where projects in designated reserves have been completed and costs are below budget
- the creation of community services funds and closed hospital reserves out of the main hospital fund
- newly designated strategic funds during the year
- a transfer of funds from general reserves to hospital funds for sites that are underperforming and require central funds

Group	Note	Movement in funds			
		At 30 March 2020	Income & gains	Expenditure & losses	At 28 March 2021
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	497	12	(26)	483
Fixed asset fund	(b)	92	-	(2)	-
Community centres fund	(c)	541	-	(32)	509
Other funds	(d)	726	3,123	(1,120)	2,729
Total restricted funds		1,856	3,135	(1,180)	3,721
Designated funds					
Hospital fund	(e)	1,423	3,398	(5,610)	196
Fixed asset fund	(f)	2,008	-	(93)	2,005
Community centres fund	(c)	115	-	(60)	55
Community bank accounts	(g)	980	166	(181)	965
Strategic Investment - Retail Branding	(i)	122	-	-	62
Peoples Postcode Lottery - 2017-18	(k)	30	-	(30)	-
Peoples Postcode Lottery - 2019-20	(k)	1,121	-	(958)	-
Peoples Postcode Lottery - 2020-21	(k)	1,262	1,415	(1,320)	163
Strategic Investment - TTP	(m)	637	-	(497)	140
Strategic Investment - CRM/VMS	(m)	500	-	(14)	486
Community Grants	(h)	-	-	-	150
Development fund	(j)	-	246	(61)	185
Total designated funds		8,198	5,225	(8,824)	4,407
General funds		8,390	29,645	(27,235)	11,082
Total unrestricted funds		16,588	34,870	(36,059)	15,489
Total funds		18,444	38,005	(37,239)	19,210

		At 29 March 2021	Income & gains	Expenditure & losses	At 27 March 2022
		£'000	£'000	£'000	£'000
Restricted funds					
Legacy fund	(a)	483	4	(40)	447
Fixed asset fund	(b)	-	-	-	-
Community centres fund	(c)	509	-	(8)	212
Other funds	(d)	2,729	568	(849)	2,448
Total restricted funds		3,721	572	(897)	3,107
Designated funds					
Hospital fund	(e)	196	6,139	(7,330)	275
Fixed asset fund	(f)	2,005	-	(545)	2,925
Community centres fund	(c)	55	-	(2)	53
Community bank accounts	(g)	965	323	(403)	885
Strategic Investment - Retail Branding	(i)	62	-	(33)	29
Peoples Postcode Lottery - 2020-21	(k)	163	-	(124)	39
Strategic Investment in IT - TTP	(l)	140	-	(50)	90
Strategic Investment in IT - CRM/VMS	(l)	486	-	-	196
Community Grants	(h)	150	-	(150)	-
Development fund	(j)	185	-	(185)	-
National Academy for Social Prescribing	(m)	-	-	(88)	12
IT strategic development	(n)	-	-	-	140
Web development	(o)	-	-	-	32
Shaping the Future With Volunteering	(p)	-	91	(54)	37
Total designated funds		4,407	6,553	(8,964)	4,713
General funds		11,082	28,814	(30,318)	7,150
Total unrestricted funds		15,489	35,367	(39,282)	11,863
Total funds		19,210	35,939	(40,179)	14,970

Notes to Financial Statements for the year ended 27 March 2022

14 Funds (continued)

The specific purposes for which the restricted funds must be applied are as follows:

- a) The legacy fund comprises monies that must be used according to specific terms laid down by the legator. The fund is represented by the level of outstanding restricted legacies.
- b) Isabel Blackman Centre, was sold in 2020-21.
- c) The community centres fund represents funding from donors for the enhancement of community centres. The depreciation of the capital cost, which is included in fixed assets, is charged against this fund. During the year Hereford Community Centre was sold in line with corporate strategy.
- d) Other funds represent trust and corporate income received which is to be spent in accordance with the wishes of the donor and will be expended in the following year.
- e) Hospital fund. Royal Voluntary Service has a commitment over a period to direct the 'surplus' earned in certain hospital services either to that hospital, for refurbishment of that service or to development RVS community services. The Trustees believe that these general commitments should be treated as unrestricted designated funds. Royal Voluntary Service is working with the trusts to expend these reserves in line with lease expectations and agreed timeframes.
- f) The fixed asset fund represents the written down value of tangible fixed assets, excluding those held for sale, as restricted funds or other designated funds and will be expended in line with depreciation policies.
- g) Community bank account fund represents those funds held in community project bank accounts that have been raised by community projects, and for which the Trustees consider the funds raised should be used in the community project that the money has been raised by.
- h) Community Grants - Royal Voluntary Service are the delivery partner for the NHS Volunteer Responders programme (NHSVR). NHSVR has been set up by NHS England and NHS Improvement, working with Royal Voluntary Service and the GoodSAM app. NHSVR has a clear focus on reducing inequalities across communities as a result of the COVID-19 pandemic. Many communities have suffered disproportionately, so actions need to take place to ensure a fair and just recovery. NHSVR funded the accessibility grants programme to provide first-line practical and signposting support in the post-pandemic recovery that paves the way for longer-term rebuilding of community resilience and reducing the inequalities exacerbated by Covid-19. The grant was fully expended by March 2022.
- i) The Strategic Fund Investment has been set up in line with our strategic objective to Grow Retail including refurbishment of 17 key hospital shops and cafes, finalising the rebranding roll out and securing leases for future income generation. Continued delays due to COVID has resulted in use of funds extended to 2022-23.
- j) Development Fund - during 2020-21 £246k fund has been set up to cover improvements in retail. During the year funds have been expended on scoping a new Electronic Point of Sale system. The fund was fully expended by March 2023.
- k) Players of People's Postcode Lottery projects include supporting volunteer led activities, funding community engagement workers, developing a dementia friendly Royal Voluntary Service, working with carers and frailer older people and investing in our hospital trolleys. Apart from investment in trolleys (slight delay due to COVID), all funds fully expended in the year.
- l) Technology Transformation Programme (TTP) - following a thorough review of our IT systems and processes investment over 2 years was approved by the Trustees. All expenditure will be spent by March 2023.
- m) £100k was transferred in the year from general funds representing RVS contribution into the joint project with the National Academy for Social Prescribing. NASP creates partnerships, including across the arts, health, sports, leisure and the natural environment, in order to promote health and wellbeing at a national and local level and the joint project to create the Accelerating Innovation programme for Social Prescribing has been approved by Trustees. To date £(88)k has been expended leaving a balance of £12k at the end of the financial year end. Remaining funds will be expended by March 2023.
- n) £140k has been set aside to complete IT development works originally planned for 2021-22. All funds to be expended by March 2023.
- o) £32k has been set aside to complete the planned Web development by March 2023.
- p) The Shaping the Future With Volunteering is a collaborative project with other national charities, working together to support communities across the UK to be dynamic and welcoming places for volunteering. Contributions from our partners will be fully expended by March 2023.

Notes to Financial Statements for the year ended 27 March 2022

15 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
2021				
Fund balances at 29 March 2020 are represented by:				
Fixed assets	-	2,061	509	2,570
Fixed asset investments	11,063	-	-	11,063
Net current assets	19	2,346	3,212	5,577
Net assets	11,082	4,407	3,721	19,210
2022				
Fund balances at 28 March 2021 are represented by:				
Fixed assets	-	2,978	212	3,190
Fixed asset investments	10,420	-	-	10,420
Net current assets	(3,270)	1,735	2,895	1,360
Net assets	7,150	4,713	3,107	14,970

16 Financial and capital commitments

Operating leases

At 27 March 2022 the commitments under non-cancellable operating leases were as follows:

Group	Land and buildings		Other	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Expiring:				
- within one year	448	572	13	11
- within two to five years	1,193	1,607	8	8
- thereafter	1,010	1,210	-	-
Total	2,651	3,389	21	19

Capital commitments

At 27 March 2022 the group and charity had £291k capital commitments (2020-21: £ nil).

Finance Commitments

At 27 March 2022 the group and charity had £218k commitments (2020-21: £ nil).

17 Related parties

The only relevant related party transactions as required by FRS102 at 27 March 2022 are with the subsidiaries of the charity:

Charity intercompany balances at year end	2022 £'000	2021 £'000
WRVS Services Welfare Limited	-	25
Royal Voluntary Service Meals on Wheels Limited	-	-
	-	25

In 2021-22 the following transactions took place between the charity and its wholly owned subsidiaries:

WRVS Services Welfare Limited

Payments are made on behalf of WRVS Services Welfare Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC. No recharges are made from the charity in relation to overheads as the amounts are immaterial. The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

Royal Voluntary Service Meals on Wheels Limited

The transfer under gift aid of the trading profits of Royal Voluntary Service Meals on Wheels Limited to the charity of £ nil (2020-21: £ nil). The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

Payments are made on behalf of Royal Voluntary Service Meals on Wheels Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC. No recharges are made from the charity in relation to overheads as the amounts are immaterial.

Notes to Financial Statements for the year ended 27 March 2022

18 Analysis of changes in net debt

	At start of year	Cash-flows	Fair Value Movement	At end of year
2021	£'000	£'000	£'000	£'000
Cash	4,736	526	-	5,262
Cash equivalents	4,003	-	-	4,003
Total	8,739	526	-	9,265

	At start of year	Cash-flows	Movement	At end of year
2022	£'000	£'000	£'000	£'000
Cash	5,262	(2,279)	-	2,983
Cash equivalents	4,003	(1,995)	-	2,008
Total	9,265	(4,274)	-	4,991