

**ROYAL VOLUNTARY SERVICE**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDING 26 March 2023**

**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 2022-23.

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

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Civil society in Britain has had to dig deep in recent times, continuing to provide essential support to those often in desperate need while facing significant challenges. As we emerged from the worst of the COVID-19 pandemic, we saw the knock-on impact on health and well-being, further exacerbated by a new and damaging cost of living crisis.

Throughout the year Royal Voluntary Service (RVS) has been on the frontline, supporting people in our services delivered in person and online and with the support of our steadfast volunteers. We could not be prouder of our team. At times this has been hard going but we have remained resilient and focussed on our mission.

Our charity inspires and mobilises volunteers to help those in need across Britain, and our services provide high impact health and care support alongside the NHS and in communities. The people we help live with multiple long-term health conditions, they have limited support networks of their own and are often socially isolated living in areas of social deprivation. If you are unwell and struggling to cope, the support of our volunteers and staff is fundamental. One client expressed this in our survey, 'the service is a gift to me, it makes my life bearable'.

Post-pandemic, our community services have returned to their regular patterns of in-person support. In a very challenging year for the NHS, we provided more after-hospital care to assist patient's post-discharge. We also expanded our dementia cafes in communities which have proven so valuable to those affected by this cruel disease. These services knit together with our vibrant centres, activity groups and our network of volunteer-led clubs to provide a lifeline of community and care where it is needed most.

We were also recommissioned during the year by NHS England to deliver and diversify the ground-breaking NHS Volunteer Responders programme. This app-based micro-volunteering scheme has proven extremely impactful assisting people in communities and NHS teams too.

We are also leading advocates of volunteering and its important role in a thriving society. We are determined to see its benefits shared equally and for access to volunteering opportunities to be made easier for all. We are grateful to our partners in this work and would like to extend our thanks to the Department for Culture, Media and Sport for their wholehearted support and to Scouts, who joined us to establish and lead the Shaping the Future with Volunteering group. This group has now grown its membership of UK's leading volunteering charities to 29 and this year has worked together on a national volunteering initiative for the King's coronation, *The Big Help Out*. RVS has also been honoured to organise Coronation Champions, on behalf of our President, Her Majesty The Queen Consort, to celebrate outstanding volunteers and their contributions. This follows the hugely impactful Platinum Champions Awards which were run by the charity in 2022 to celebrate Her Majesty Queen Elizabeth II's Platinum Jubilee. Queen Elizabeth was our Patron, and we were very sad to mourn her passing just a few months later. We are grateful for her unwavering support of us and volunteering and the 'Royal' honour she bestowed on our charity.

Inside RVS, the completion of our 3-year change and transformation programme has seen major improvements in our IT infrastructure, system design, Electronic Point of Sale (EPoS) and the

introduction of a new Volunteer Management System. We have also grown our reach with our digital services, notably through our online health and wellbeing hub, the Virtual Village Hall.

The year also included a reshaping exercise to align our resources and services to the post-pandemic context. The challenging retail environment in some of our hospital sites has led us to reluctantly close some of our shops and cafe units which has resulted in some redundancies. We are incredibly grateful to all our amazing colleagues and volunteers – past and present - who have supported those services and the contribution they have made.

Throughout the year we have touched the lives of hundreds of thousands of clients and volunteers. This frontline impact is what drives RVS forward and we continue to rise to meet the higher demand for health and care services while championing the opportunity to volunteer for all. Record numbers of people are waiting for hospital treatment – 7.2 million as of January 2023 – and many of these people need our help. We must redouble our efforts to provide comfort, care and health support to those who need us most.

Thank you to all our partners and funders for your valued partnership. We are also grateful to our superb Board of Trustees and to our staff and Leadership Team.

Volunteers are the beating heart of RVS, so most of all we would like to thank you for the enormous difference you make every day.



**Stephen Dunmore, OBE, Chair**



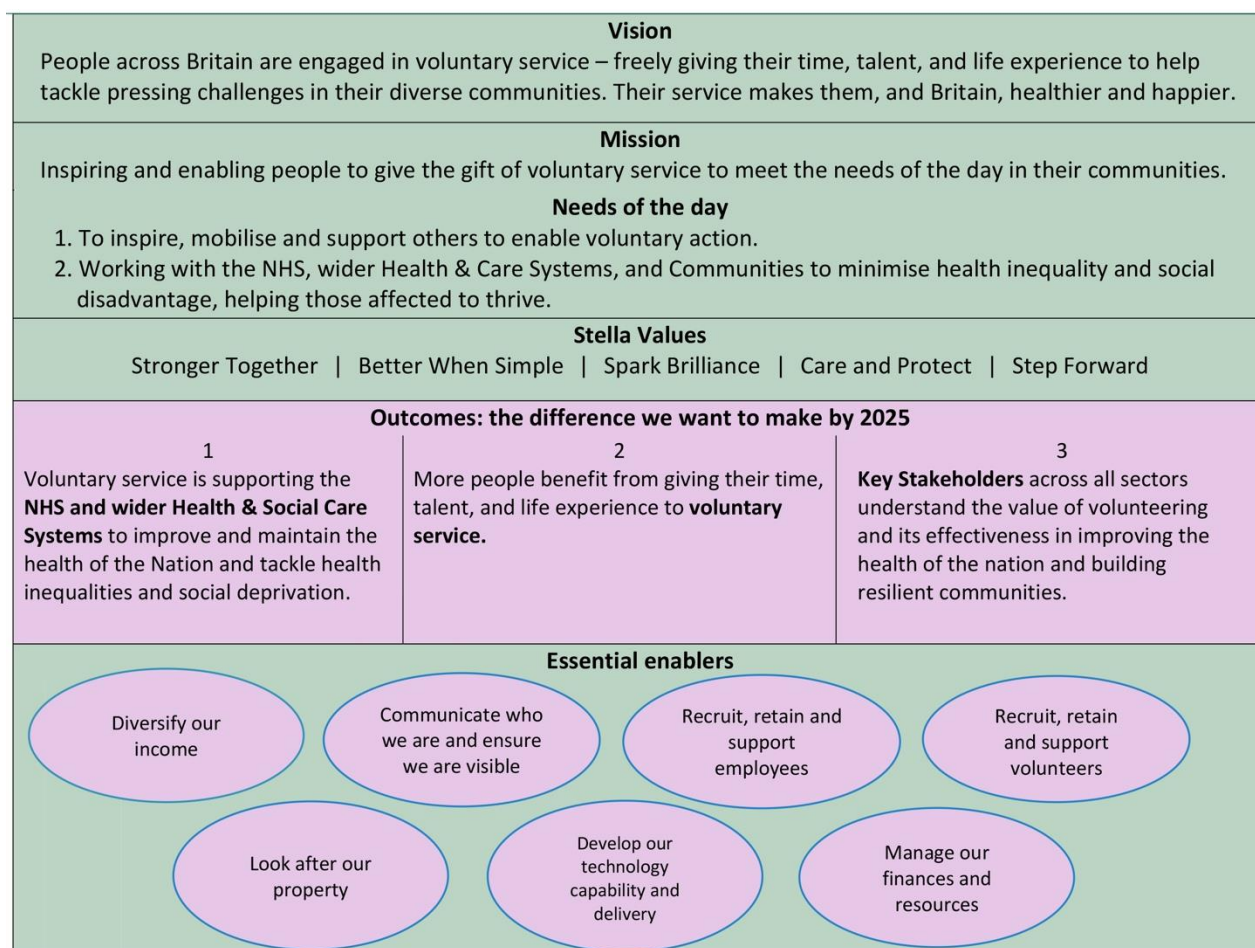
**Catherine Johnstone CBE, CEO**

## Trustees' Report, including Strategic Report

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### Our Vision, Mission and Values

RVS 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

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In 2022-23 - we made good progress across all outcomes referenced in our strategic framework. The clear relevance of RVS 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 our nations’ recovery post-pandemic and through the current cost of living crisis. The strategic period has now been extended to 2025.

### Annual Review of Key Strategic Outcomes:

#### **1. RVS is supporting the NHS and wider Health and Care systems to improve and maintain the health of the nation and tackle health inequalities and social deprivation.**

RVS has provided at-scale volunteer support to the NHS and Care system and within communities throughout 2022-23. We have focussed on supporting people in greatest need in areas of health inequality.

- Our NHS Volunteer Responders micro-volunteering programme was re-commissioned this year by NHS England to provide on-going volunteer capacity in health and care and to provide support in future emergencies. To date the programme’s volunteers have delivered over 2.5 million support tasks in communities and they have supported over 360,000 shifts at vaccination sites.
- We established 18 services supporting 1,000 patients over winter to provide much needed assistance to people leaving hospital as part of NHS England’s ‘surge’ support. Volunteers dedicated over 5,500 hours of their time over a 5-month period.
- Our dementia services groups have doubled in size during the year with 24 new groups being established and an additional 576 people attending. Groups are now present in 11 areas across Great Britain with 107 volunteers supporting service delivery.
- The Virtual Village Hall, our health and wellbeing hub online, now has over 53,000 followers on Facebook. It has delivered 610 new live sessions over the year with 1.7million views of sessions in 2022-23. 97% of attendees said the event they attended made them feel happier and 87% said it improved their mental health and wellbeing.
- Our in-person activity sessions ‘First Time for Everything’ tackle social isolation. We ran 113 events in 2022-23 reaching 1,781 participants who took part in exciting and diverse new activities from beach art to tree top trekking.
- Over 200 RVS activity and lunch clubs and groups have now restarted activities following the hiatus of the pandemic. In 2022-23 over 5,500 people were supported through 286,000 interactions.
- By the end of March 2023, our retail units which provide refreshments and a friendly smile to patients, staff and visitors in hospitals had reopened in 69 out of our 70 hospital sites. A number of unsustainable sites were closed following changes to hospital footfall patterns post-pandemic. We are very pleased that many of our onward trolley services have now resumed.
- In Services Welfare there were 320,000 visits to our 54 recreation centres on army bases throughout the UK, Cyprus and Germany, supporting service personnel with their well-being.

- Over 2,100 one to one private discussions also took place, to empower service personnel with personal issues and concerns.
- In our annual client survey, respondents said we made a real difference to their health and wellbeing.
  - 96% said we supported them to feel less isolated.
  - 92% said it helped improve their mental health and wellbeing.
  - 90% said we helped them feel more able to cope.
  - 76% said we helped their physical health.
  - 68% of our clients said they have frequent contact with our services four or more times a month.

In 2023-24 we will:

- Successfully deliver the new phase of the NHS Volunteer Responders programme, supporting people's health and care across England.
- Take a leadership role in promoting volunteering in the NHS and Social Care system.
- Identify and develop new volunteering programmes to support the needs of local people and the Integrated Care System in all 3 nations as they commission services in local areas.
- Continue to grow our national Virtual Village Hall and Calls With Care services.
- Establish new Services Welfare officers on new bases.

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

Through 2022-23 we mobilised volunteers and created opportunities within our wide range of services and improved our volunteering infrastructure and accessibility. We have maintained a clear focus on growing the diversity of our volunteer base.

- Over the course of the year our volunteers delivered 1.7m hours of volunteering and supported 1.3m interactions with people needing assistance.
- We welcomed 3,086 new volunteers to the charity's community services in 2022-23. We also grew our emergency response volunteer team by an additional 641.
- A further 5,942 people joined the NHS Volunteer Responders programme in 22-23 as Steward Volunteers assisting with the COVID-19 vaccination programme.
- The range of roles on offer to volunteers with RVS was purposefully wide to ensure accessibility – including virtual, in-person and micro-volunteering; for instance, providing telephone companionship to isolated people, cooking at community lunch clubs, stewarding at vaccination sites, working in a hospital shop, supporting clients with dementia at a dementia café or providing community transport as a driver.
- Our recruitment promotion for volunteers has been carefully considered to reach diverse audiences and encourage a broad age range of applicants. We also launched our new Volunteer Management System, a digital system to improve the experience of volunteers and our staff team. Conversion of applicants has improved by 12% and 74% are now cleared within 7 days. We have seen a pleasing increase in young applicants (aged under 25) coming on board up from 9% to 25%. We also welcomed a much higher proportion of volunteers from ethnic minority backgrounds up from 11% of new volunteers to 38%.

- We have developed and are now implementing Equality, Diversity and Inclusivity (ED&I) plans across our volunteer practice.
- At the start of 2023 we developed plans alongside Shaping the Future with volunteering charities for the Big Help Out initiative to coincide with the King's Coronation. Working with the Together Coalition, this will bring new volunteers into charities both large and small and open up a myriad of new opportunities to those who have previously not considered volunteering. Over 50,000 people have so far downloaded the Big Help Out app and 10,000 charities have offered up opportunities.
- In our annual volunteer survey, we found that volunteering continues to be hugely rewarding for volunteers themselves in a myriad of ways.
  - 93% said they feel they make a difference.
  - 91% said it gave them a sense of purpose.
  - 75% say it improves their mental health.
  - 71% say it gives them greater confidence.
  - 87% say it helps them stay connected to their community.
  - 86% say it brings them into contact with people from different backgrounds and cultures.
  - 62% of under 55s say it has improved their employment prospects.

In 2023-24 we will:

- recruit and retain volunteers for our services, optimising the age profile of volunteers and ensuring opportunities match individual circumstances.
- increase the accessibility of volunteering for all, extending its health benefits and undertake outreach activity to widen participation.
- mobilise volunteers for a wide range of charitable organisations through the Big Help Out initiative.
- deliver our ED&I programme to foster an even more positive and accessible volunteering experience within RVS.
- review our reward and recognition provision.
- establish a volunteering advisory board.

### **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 2022-23 we extended our influencing work and built on key partnerships. We focussed our influencing on the need to open doors to 'volunteering for all' and continued to build the case for volunteering being further embedded in health and care systems.

- We have been full participants in the NHS Taskforce on Volunteering, leading on the volunteering experience pillar. This report is due for publication in 2023.
- Our research programme, 'Kickstarting a new volunteer revolution' released two reports, the first on social mobility and volunteering, the second on volunteering in social care. Both reports have been widely circulated and showcased and the Department of health and social care has since made commitments to expanding volunteering in the care sector.



- Through our partnership with the National Academy for Social Prescribing, we co-delivered the 'Accelerating Innovation in Social Prescribing' programme involving 300 charities from the voluntary sector.
- Our CEO is Vice-Chair of the Richmond Group of Charities, and as part of the group, RVS has joined influencing activity through publishing research and responding to policy announcements. The 'No Time to Lose' report explored health needs and gaps in care for people with multiple health conditions.
- Together with St John Ambulance, we have piloted a 'volunteer passport' allowing volunteers to move between our organisations more easily.
- Through the year we have celebrated and encouraged inclusive volunteering within RVS and across Great Britain. The Platinum Champions Awards for Her Majesty Queen Elizabeth II's Platinum Jubilee provided a high-profile showcase of outstanding volunteers from every community and background. Ahead of the Coronation of His Majesty the King and Her Majesty the Queen Consort, we were invited to deliver the Coronation Champions Awards with across sector engagement achieving almost 5,000 entries and strong media and social media interest.
- RVS led two workshops at the inaugural Anthropy event, whose goal is to 'inspire a better Britain' and has been invited to support its manifesto development to include 'active citizenship' and volunteering.

In 2023-24 we will:

- Develop and deliver thought leadership and policy positions in support of our objectives.
- Produce influential reports with a range of influential partners and share the results for maximum impact.
- Continue to build on our strategic partnerships including with The Shaping the Future with Volunteering group to explore next steps for The Big Help Out.

### **Other achievements in the year**

Our technology transformation programme has completed its first phase with the successful introduction of a series of technology upgrades including a new EPOS system in our retail estate and our new Volunteer Management System. Improvements to software and security systems have also allowed us to successfully embed cultural change via our Smarter Working programme and move to a more permanent remote working model.

In our people directorate we have planned and designed a new Pay and Grading System working with specialist advisors Korn Ferry. This new system will take some years to fully implement but roll out begins immediately, creating a fairer and more transparent approach to pay and benefits. Our full people plan was approved by Trustees in December 2022.

In early 2023 we undertook a reshaping exercise to align the charity to the new external environment and our span of services. Sadly, some of our retail units were no longer sustainable due to reduced footfall since the pandemic and this led to a number of closures and some redundancies in services and support staff. We were able to reduce the number of staff leaving

the charity through internal appointments, and there were others who transferred to new service providers.

We remain a high-profile volunteering organisation. We have benefited from a range of spotlight moments from the Coronation, the Big Help Out, Platinum Jubilee, Thank You Day, Volunteer's Week and a Christmas campaign with The Sun newspaper. Through this we extended our media and social media presence significantly, growing our reach from 1,549m in 2021-22 to 2,973m in 2022-23. Our brand awareness continues to climb with prompted awareness now reaching 65%.

## **Fundraising**

Our charity relies on the generous donations of partners and individuals to support our work. We are hugely grateful to the donations and funding from our supporters which meant we were able to continue to provide significant life-transforming services to people across the country, throughout the year.

In 2022-23:

- We developed our new fundraising strategy and brought in director-level expertise into our fundraising practice.
- We are extremely grateful to Players of People's Postcode Lottery, whose generous support means we can underpin all our services and activity and is simply transformative in its impact.
- We are also enormously grateful to the Department for Culture, Media and Sport who have funded our work on Coronation Champions and The Big Help Out alongside The National Lottery Community Fund whose funding follows into 2023-24.
- We would also like to thank our other Trusts and Foundations supporters; Julia & Hans Rausing Charitable Trust, Lady Margaret Skiffington Trust and Basil Samuel Charitable Trust, as well as many other Trusts whose donations mean we can continue delivering our services all-round the nations.
- We strengthened our relationships with our corporate partners, working again with Yakult on our Safe, Warm and Well campaign, Smart Energy GB and the General Medical Council whose staff gave their time volunteering for our Calls with Care
- We would like to thank Scotmid co-op for supporting our Health, Happy Lives group in Dundee, helping us to provide lunch and refreshments for participants.
- We are also delighted to be partnering with Centrica, whose staff are volunteering on our hospital trolleys, making sure patients and staff around the hospital can get refreshment, and importantly see a friendly face which can make all the difference.
- We would like to thank Simplyhealth, Sky and Petplan for sponsoring award categories for the Coronation Champions volunteer awards.
- We are very grateful for corporate donations received to support our Cost-of-Living appeal from Simplyhealth, Amazon, BNP Parabis and Simmons & Simmons.
- We are hugely grateful to the people who have taken part in events for us, run marathons, organised a quiz night, or raised money for us in their own unique way – you are all amazing.
- Thank you to all our donors who donate to us monthly, through direct debit, or playing our lottery. We are pleased to have brought in 1,661 new donors this year – these donations mean that we can plan ahead, make sure we are able to provide services where the need is greatest.
- We also receive many cash donations from our amazing prize draw players, and donors who have donated to our appeals.

- And this year we have had 1,033 donors who have ‘bought a cuppa’ for NHS workers, which we can honour through our shops in hospitals – it really does brighten up the day of those who receive them.
- In September, for the first time since the COVID-19 pandemic we relaunched our volunteer Legacy events. These were well received by volunteers and saw an increase in new pledgers and enquirers.
- We would like to thank those who have remembered us in their will. These gifts are an extraordinary way to make sure those people go on to make an impact on the lives of vulnerable people, in our communities.

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 12 requests through this channel during the year which have been actioned. We received only 11 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 approach we take. 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 undertook external audits including observations and mystery shopping ensuring compliance with the Code of Fundraising Practice and the Fundraising Promise.

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 telemarketing campaigns to recruit or reactivate Direct Debit donors or to steward and discuss legacy donations, 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.

## **The Environment**

RVS 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.

During the year the Trustees approved the adoption of the UN Sustainable Development Goals as an appropriate framework for the charity’s work.

In our Retail operations we continue to focus on 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 2022-23 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).

In order to share best practice with other charities seeking to tackle similar sustainability challenges we have joined the Fit for the Future Network ([fftf.org.uk](https://fftf.org.uk)) and will engage with them on a range of important topics in the coming year.

### **Report Output**

ECA Business Energy gathered data for scopes 1-2 for the financial year ended 26 March 2023 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.

UK Carbon Footprint Data							
Scope	Description	Emissions Source	tCO2e				
			2019/20	2020/21	2021/22	2022/23	
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Petrol, Diesel	Location based	197	122	58	72
			Market Based	124	85	58	72
Scope 2	Purchased energy	Electricity	Location based	95	29	118	34
			Market Based	66	3	0	8
Scope 3	Indirect Emissions		Location based	0	0	0	0
			Market Based	0	0	0	0
Total			Location based	291	151	176	106
			Market based	190	88	58	80
Intensity Ratio	tCO2e / £1m Turnover		Location based	5.48	4.54	-	TBC
			Market based	3.58	0.97	-	TBC
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Petrol, Diesel, Unknown vehicle fuel		1,301,319	715,082	849,513	508,996
	Renewable %	Electricity					76%

## Year on Year Emissions Changes

Royal Voluntary Service's total reported location based emissions decreased from 176 tCO2e in 2021/22 to 106 tCO2e in 2022/23. This is an emissions reduction of 40%. Compared to the baseline year of 2019/20, total location based emissions have decreased by 63.7%.

Scope 1 emissions increased from 58 tCO2e in 2021/22 to 72 tCO2e in 2022/23, an increase of 23.8%. This is due to an increase of transport fuels used in company vehicles.

Scope 1 transport fuels (petrol & diesel) increased in emissions from 17 tCO2e in 2021/22 to 45 tCO2e in 2022/23. In kWh, usage increased from 70,457 kWh to 184,822 kWh, a consumption increase of 162%.

Natural Gas consumption decreased from 221,023 kWh to 148,128 kWh, a 33% reduction. Emissions decreased by 13 tCO2e as a result.

Electricity usage decreased from 558,033 kWh to 176,046, a 68.5% reduction in consumption. Locations based emissions associated with electricity consumption decreased by 84 tCO2e as a result.

## Energy Efficiency Actions taken

Royal Voluntary service have reduced their fleet by 50%, thus controlling the output of scope 1 transport fuels from 2022 onwards, though as yet we are unable to determine the exact reduction in emissions associated with this action.

Royal Voluntary Service have moved towards a work from home employee model, reducing electricity and gas consumption across all sites, though we recognise that there will have been some offsetting increase in the domestic consumption for home workers.

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 continue to focus on 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.

## Our Financial Review

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2022-23 was another challenging year for the charity but one which has ended positively with a promising outlook ahead.

In summary,

- Continued recovery from COVID-19 variants meant that although the charity returned a deficit of £1.5m, it was an improvement on the previous year (2021-22: deficit £4.2m) and was less than initially planned;
- Ended the year with a strong cash & investments position of £12.0m (2021-22: £13.4m); and
- Total Funds and Reserves remain healthy at £13.5m (2021-22: £15.0m).

The external environment has slowly improved despite the long-term impact on the NHS of the COVID-19 pandemic and 'Cost of Living' crisis, with its associated inflationary pressures, resulting in a large part from Russia's invasion of Ukraine.

During the year we were delighted to be awarded a 3-year contract, with the potential to extend to 5 years, for the next phases of the NHS Volunteer Responders programme and the associated NHS Vaccination Stewards programme. These programmes are set to expand into social care as well as continue to support NHS staff and services which are under immense pressure.

The dedicated work of our Retail teams of staff and volunteers also began to pay off as income levels increased significantly over the year although transaction volumes remained below pre-pandemic levels. A detailed review was undertaken of the current and projected performance of all sites in the retail portfolio and reluctantly the decision was taken to close a number of (typically smaller sites) where there was no real prospect of achieving a net financial contribution. Staff and volunteers attached to those units were impacted and unfortunately there had to be some staff redundancies and redeployment of volunteers. The impact was mitigated, in part, by many staff being able to TUPE to new employers. The impact of inflation also meant that the charity did not apply for the annual renewal of contracts for a small number of Community Services leading to closures of those where the finances available from commissioners were insufficient to cover running costs.

The changed post-pandemic environment, new health and care priorities and the financial context led to an adjustment of our structure to meet future needs. Our services now operate on NHS premises, in communities, at home and increasingly on-line and we have moved our central teams to home-based roles. The charity undertook a reshaping exercise to support this operating model in the fourth quarter of the financial year which resulted in a total of 84 redundancies including those in retail and services mentioned above and also a number of colleagues in our central teams.

The Fundraising environment remains challenging, and we continue to be extremely grateful for the support from our ongoing donors and the players and staff of the People's Post Code Lottery in particular.

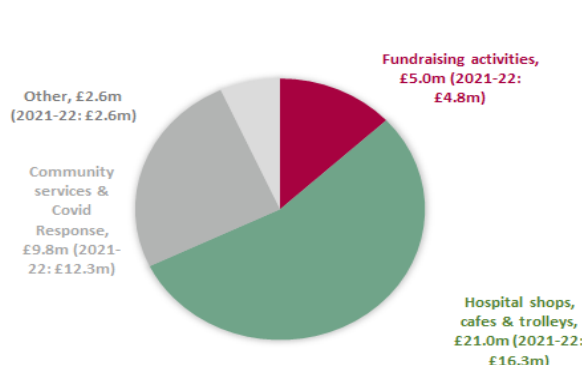
Our costs remain well controlled, and we were delighted to see the investments in the new EPOS and Volunteering Management systems come to fruition as both strategically important developments were successfully delivered during the year.

While retail income was 50% higher than the previous year there remain risks, particularly around the ongoing impact of the virus and the 'Cost of Living' crisis. As well as the risk mitigation activities set on page 18 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. 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 rapidly than expected.

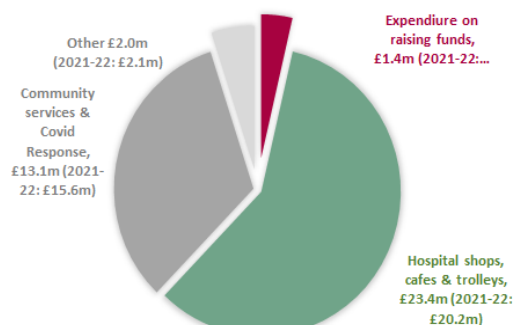
We move into the new financial period with optimism and on a positive trajectory. We have a clear focus on our priorities which include the successful delivery of the expanded NHS and Care Volunteer Responders programme, refreshed commissioned services offers and a new fundraising strategy.

Key income and expenditure highlights:

**Income £38.4m (2021-22: £35.9m)**



**Operating expenditure £40.0m (2021-22: £40.2m)**



## Operating income

During the year our income of £38.4m (2021-22: £35.9m) was higher than the previous year reflecting the increase in retail trading income from longer opening hours and a return to some normality in hospital environments offset by lower NHSE contract income:

- hospital shops, cafes, and trolleys £21.0m (2021-22: £16.3m). The year-on-year improvement reflects stores re-opening and more trading hours against a COVID-19 affected 2021-22. As part of the retail business restructure at the end of 2022-23 we have closed our less profitable trading services along with permanently closing 50 of the smaller services that had not reopened since the pandemic. At the end of March 2023, a total of 75 stores were trading (117 in March 2022). We are still seeing the effects of the post pandemic environments in the hospitals with reduced footfall and some localised restrictions being put in place. We continued to expand the number of trolleys going out on rounds during the year to around 30, but we were still bound by some trust restrictions and lack of available volunteers, and so have not recovered to pre pandemic levels of around 100 trolley rounds. The increased income from re-opening shops and cafes has been offset with reduced income from the Coronavirus Job Retention Scheme, no income received in 2022-23, compared to £0.7m of income in 2021-22 (scheme finished September 2021).
- fundraising, see note 2 of the financial statements, which comprises of voluntary income and activities for generating funds, £5.0m (2021-22: £4.8m). Income has remained relatively stable, increasing by £0.2m over the course of the year. Trust income increased by £0.4m in the year driven by Peoples Postcode Lottery award of £3.0m (2021-21: £2.5m) which was offset by lower prize/raffle income due to reduced investment in this stream as we look to diversify through other channels.



- community services generated income of £9.8m (2021-22: £12.3m) with the movement being represented by a combination of a decrease in national contracts for COVID-19 and offset by increase in Dementia and Winter Surge services (both of which result in lower pass-through costs). Whilst we continue to support the NHS via newly negotiated contracts, we have also successfully reopened community centres clubs and branches. Other virtual services have continued such as telephone befriending, check in and chat lines and Virtual Village Hall (delivering online classes for dance, exercise arts and crafts) and remain a strong method of support for both volunteers and recipients.
- Services Welfare £2.2m (2020-21: £2.3m)
- Other £0.4m (2021-22: £0.2m) reflecting the increase in cash deposit income.

## Operating expenditure

Total operating expenditure for the year was £40.0m (2021-22: £40.2m) and was spent on the following areas:

- hospital shop, cafe and trolley retail services increased to £23.4m in the year reflecting an increase in the number of stores open along with increased trading hours and footfall (2021-22: £20.2m) and the overall increase in costs reflects the increased activity including - goods for resale £11.1m (2021-22: £8.9m);
- community services £13.2m (2021-22: £15.6m). The direct cost to deliver services at £8.8m, see note 6 of the financial statements (2021-22: £11.1m) showed a net decrease of £2.3m mainly due to the change in services delivered for NHSE under the national COVID-19 for support contracts in line with the reduction in income. Expenditure has increased in other areas including Winter Surge services, Living Well with Dementia programmes, Shaping the Future of Volunteering and reopening social and community centres. Allocation of support costs have decreased slightly to £4.3m (2021-22: £4.5m).
- fundraising £1.4m (2021-22: £2.3m). The decrease in year-on-year costs of £0.9m relates to provision for VAT in prior year. Other costs saw an increase in investment in donor recruitment for “regular giving” of £0.1m offset by a reduction in campaign costs by £0.1m as the charity looks to refine its fundraising strategy.
- Other costs £2.0m (2021-22: £2.0m), 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 £8.2m (2021-22: £9.4m). During the year, RVS has continued to invest in improved systems and security; finalised work on staff pay, grading and benefits; offset by savings in travel and vacancies throughout the year.

## Investments

During the year our investments were held in cash with different institutions as governed by our Liquidity and Investment Policy to protect the charity against a fall in global financial markets in the current uncertain environment. They will remain in cash until such a time that we achieve further stability in our retail estate. Cash deposit rates have been increasing favourably throughout the second half of the year in line with the Bank of England announcements and by the end of the year rates were as high as 4%.

## Reserves

Trustees monitor the level of reserves on a quarterly basis 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. New designations in the year cover further enhancements in our web page, commitments to volunteer recruitment, the future of volunteering and completion of strategic IT projects.

2022-23, in line with the Corporate Plan and organisational changes made in quarter 4, there has been a focus on strengthening general reserves to safeguard future investment in the charity and to retain a buffer above minimum levels of reserves required.

It is the policy of RVS to maintain reserves at a minimum level that ensures the future sustainability of the organisation ensuring that the Charity can meet its obligations as they fall due. The following factors will be considered in arriving at the value of those minimum reserves:

- forecasts for levels of income for the current and future years, considering 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 based on 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 £5.7m (2021-22: £6.1m). This compares with the value of General Reserves of £6.3m (2021-22: £7.2m).

Total fund balances decreased by £1.5m to £13.5m during the year. As at 26 March 2023 these comprise:

- £2.4m of funds restricted for specific purposes (2021-22: £3.1m), including remaining funds of £1.2m received from COVID-19 Support Fund to develop dementia services (2021-22: £1.8m).
- £4.8m of funds designated for specific use (see breakdown below) (2021-22: £4.7m); and
- £6.3m of general funds (2021-22: £7.2m).

Designated funds include:

- £0.6m for the hospital fund.
- £3.0m for fixed asset fund; and
- others at £1.2m as detailed in note 14 of the financial statements.

During the year the Trustees approved four new designations for £0.2m to cover web developments, strategic projects, and volunteer recruitment.

## **Subsidiary undertakings**

RVS 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 and Cyprus.

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. 2022-23 operations returned to pre-pandemic levels, with all centres now fully open. One to one welfare support was provided to over 2,100 service personnel (2021-22: 2,100 including telephone support).

For the financial year 2022-23 the reported income in the subsidiary was £2.2m (2021-22: £2.3m) and the expenditure £2.2m (2021-22: £2.3m). RVS receives a management fee for delivering the service amounting to £0.2m (2021-22: £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 26 March 2023 (2021-22: nil) and operating loss was £4k (2021-22: £2k). 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.

A new trading subsidiary, Royal Voluntary Service (Trading Company) Limited was incorporated 1 March 2023 and will start trading in 2023-24.

## 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. The Trustees have allocated agreed risks to each of the charity's three committees and each committee considers its allocated risks in detail throughout the year. 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 move forward and develop as there is insufficient funding available to make the necessary investment

A constantly evolving external environment impacts our ability to deliver services due to competing demands on.

### **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.

Future expenditure commitments are kept in line with expectations of income. Fundraising activity is targeted on donors who are interested in funding infrastructure projects and programmes.

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

The management of these risks is monitored on a frequent and detailed basis and reported to the Trustees when they meet as a Board or in committees, and more often if necessary. This will enable new trends to be identified quickly and appropriate action to be taken.

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

## **Our Structure, Governance and Management**

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Our people and advisors are set out on page 28.

### **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 is at 29 Charles St, Stoke-on-Trent, Staffs, ST3 1JP. 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 how planned activities will contribute to the aims and objectives they have set.

The charity has three wholly owned subsidiary companies both registered in England and Wales. These are WRVS Services Welfare Limited (number 2778476); Royal Voluntary Service (Trading Company) Limited (number 14697514 and trading commenced after 26 March 2023) 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 and during the year the Trustees agreed to extend the maximum number of terms of office from 2 years to 3 years to help with continuity where that is felt to be valuable. 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. The charity's focus on Equalities, Diversity and Inclusion work has continued with the introduction of a new Inclusion Plan and fresh training for both volunteers and staff. Trustees look forward to working with the charity's staff and volunteers to take forward the charity's ED&I 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. As the impact of the COVID-19 pandemic has receded these have moved to a hybrid mixture of face to face and virtual meetings. 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 Marketing, Communications and Engagement, the Director of People, the Director of Fundraising and the Head of Governance. During the year the existing role of Director of Fundraising, Marketing and Communication was split and two new roles created, the Director of Marketing, Communication and Engagement and the Director of Fundraising. Following the successful completion of the Change and Transformation Programme, the Director of Change and Transformation left the charity, and this role has not been replaced.

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 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. Josephine Swinhoe's last term of office was extended by 12 months to ensure continuity whilst the charity's new Director of Fundraising joined and settled into her new role in the charity.

Our Director of Change and Transformation, Fiona Malcolm retired at the end of the year following the successful completion of the Change and Transformation programme. Fiona made an enormous contribution to the charity leading the development of a new IT strategy as well as the Change and Transformation programme which included the successful implementation of the new EPOS and Volunteer Management Systems and the change to remote working during the COVID-19 pandemic, a model that has now been adopted for the foreseeable future.

The new interim Director of Fundraising joined in the summer of 2022 and has led the ongoing development of a new Fundraising strategy.

### **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 RVS 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. Each of the charity's committees also receives an update on its allocated risks which is considered at the start of each quarterly committee meeting. The risk register has helped in the process of identifying the continuing risks associated with the legacy of the COVID-19 pandemic and the charity's actions have been tailored as appropriate.

The charity continued to use an Assurance Dashboard which aims to provide "at a glance" an indication of any key controls which might need further consideration. 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 Counter-fraud action plan. This included a comprehensive communication to staff and volunteers of the potential for fraud within all areas of the charity. A Fraud Review is part of the Audit and Risk Committee's annual calendar of work.

### **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) oversaw the development of a new Pay and Grading system which has involved a fundamental change to the charity's approach to the way individual roles are assessed and then graded on a consistent way across the organisation. The new system will be implemented on 1 October 2023. The Committee also reviewed the charity's annual gender pay report which was published as required and listed 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 2018-26 continues to place the inspiration and enablement of voluntary service at the heart of everything the charity does. Our staff and volunteers have once again supported the NHS with the mobilisation of thousands of volunteers through the NHS Volunteer Responder and NHS Vaccination programmes. We were pleased to have been awarded the 5-year contract to continue to deliver the NHS Volunteer Responder programme, with the new programme launching in early 2023.

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 approved a new People Plan 2023-26, which provides a strategic framework for our work to support our employees and volunteers, as well as our Safeguarding work and approach to Equality, Diversity, and Inclusion. The work of our ED&I 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 continues to be a focus and we were delighted with the take up of a variety of occupational assistance programmes to support colleagues' personal wellbeing and health.

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 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. Where paper is needed, we aim to minimise environmental impact, where possible, using recyclable material. Our staff and volunteer magazine are 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 RVS 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:* RVS operates in communities across Great Britain, and we aim to be fully inclusive, and easy to access for everyone. RVS 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 2023. This approach signals that RVS 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 RVS, 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 ED&I programme which will continue to be a priority for 2023. This programme will seek to further embed ED&I principles consciously throughout RVS, threading ED&I 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 reviewed detailed financial and cash projections for the charity under several 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 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 21 September 2023.

A handwritten signature in black 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

A faint, light grey diagonal line running from the bottom left towards the top right of the page.

## Appendix - Our People and Advisers

### Patron

HM, The Queen (until 8 September 2022)

### 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 28 March 2022. Committee membership is also noted:

Stephen Dunmore OBE, (Chair)  
Bayo Adelaja PR  
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	Richard Williams
PR: People and Remuneration Committee	Charlotte Lambkin

### Chief Executive and Company Secretary

Unless otherwise indicated, the employees listed below were in office from 28 March 2022:

Catherine Johnstone CBE, Chief Executive  
Karyn Maria Shepperd, Company Secretary – resigned 26 March 2023  
Chris Hoults, Company Secretary – appointed 27 March 2023

### Auditor

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

### Banker

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

### Solicitors

Geldards LLP, 4 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ

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:

Amazon	Petplan
Ballinger Charitable Trust	Players of People's Postcode Lottery
Basil Samuel Charitable Trust	Shetland Charitable Trust
General Medical Council	SimplyHealth
Julia & Hans Rausing Trust	Sky
Lady Margaret Skiffington Trust	Smart Energy
Masonic Charitable Foundation	The Meikle Foundation
National Lottery Community Fund - FFLGT	Westwood Charitable Trust
Northwood Charitable Trust	Yakult
People's Health Trust	

## **Independent Auditor's Report to the Members and Trustees of Royal Voluntary Service**

### **Opinion**

We have audited the financial statements of Royal Voluntary Services ('the charitable company') and its subsidiaries ('the group') for the year ended 26 March 2023 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 26 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and 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](http://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.



Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

55, Ludgate Hill,

London

EC4M 7JW

**Date 11 October 2023**

# Royal Voluntary Service

## Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 26 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
<b>Income</b>							
Income from donations and legacies							
Voluntary Income	2	4,026	490	4,516	3,443	558	4,001
Income from charitable activities							
- Hospital services		21,025	-	21,025	16,279	-	16,279
- Community services		9,991	(171)	9,820	12,335	-	12,335
- Services welfare		2,216	-	2,216	2,287	-	2,287
Other trading activities							
- Activities for generating funds	2	509	16	525	740	14	754
Investments	5	141	-	141	13	-	13
Other							
- Net gain on the disposal of tangible fixed assets		232	-	232	270	-	270
<b>Total income</b>		<b>38,140</b>	<b>335</b>	<b>38,475</b>	<b>35,367</b>	<b>572</b>	<b>35,939</b>
<b>Expenditure</b>							
Expenditure on raising funds							
- Expenditure on raising voluntary income		464	-	464	1,343	-	1,343
- Expenditure on activities for raising funds		984	-	984	996	-	996
Expenditure on charitable activities							
- Hospital services		23,373	-	23,373	20,170	1	20,171
- Community services		12,103	1,068	13,171	14,731	896	15,627
- Services welfare		1,992	-	1,992	2,042	-	2,042
<b>Total expenditure</b>	6	<b>38,916</b>	<b>1,068</b>	<b>39,984</b>	<b>39,282</b>	<b>897</b>	<b>40,179</b>
<b>Net (expenditure)/income</b>		<b>(776)</b>	<b>(733)</b>	<b>(1,509)</b>	<b>(3,915)</b>	<b>(325)</b>	<b>(4,240)</b>
<b>Transfers</b>	14	-	-	-	289	(289)	-
<b>Net movement in funds</b>		<b>(776)</b>	<b>(733)</b>	<b>(1,509)</b>	<b>(3,626)</b>	<b>(614)</b>	<b>(4,240)</b>
Total fund balances brought forward at 28 March	14	11,863	3,107	14,970	15,489	3,721	19,210
<b>Total fund balances carried forward at 26 March</b>	<b>14</b>	<b>11,087</b>	<b>2,374</b>	<b>13,461</b>	<b>11,863</b>	<b>3,107</b>	<b>14,970</b>

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 38 - 52 are an integral part of these financial statements.

## Royal Voluntary Service

### Balance sheets

	Notes	26-Mar-23		27-Mar-22	
		Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Fixed assets</b>					
Tangible fixed assets	10a	2,583	2,583	1,879	1,879
Intangible assets	10b	652	652	303	303
Investments	11a	8,100	8,100	10,420	10,420
Assets held for sale	10a	932	932	1,008	1,008
		<b>12,267</b>	<b>12,267</b>	<b>13,610</b>	<b>13,610</b>
<b>Current assets</b>					
Stocks		391	391	521	521
Debtors	12	2,565	2,329	3,057	2,591
Investments	11b	2,039	2,039	2,008	2,008
Cash at bank and in hand		3,896	2,613	2,983	1,898
		<b>8,891</b>	<b>7,372</b>	<b>8,569</b>	<b>7,018</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(7,697)</b>	<b>(7,465)</b>	<b>(7,209)</b>	<b>(6,974)</b>
<b>Net current assets</b>		<b>1,194</b>	<b>(93)</b>	<b>1,360</b>	<b>44</b>
<b>Total assets less current liabilities</b>		<b>13,461</b>	<b>12,174</b>	<b>14,970</b>	<b>13,654</b>
<b>Net assets</b>	15	<b>13,461</b>	<b>12,174</b>	<b>14,970</b>	<b>13,654</b>
<b>Funds:</b>					
Restricted funds	14	<b>2,374</b>	<b>2,374</b>	<b>3,107</b>	<b>3,107</b>
Unrestricted funds					
- designated funds	14	<b>4,822</b>	<b>4,822</b>	<b>4,713</b>	<b>4,713</b>
- general funds	14	<b>6,265</b>	<b>4,978</b>	<b>7,150</b>	<b>5,834</b>
<b>Total funds</b>		<b>13,461</b>	<b>12,174</b>	<b>14,970</b>	<b>13,654</b>

The parent company's net resources expended for the year ended 26 March 2023 totalled £(1,458,000) (2022: £(4,245,000)).

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 the 21 September 2023 and were signed on its behalf by:

Stephen Dunmore OBE



**Stephen Dunmore**

Chairman

Richard Williams



**Richard Williams**

Trustee

**Royal Voluntary Service**  
**Consolidated cash flow statement**  
**for the year ended 26 March 2023**

	Notes	2023 £'000	2022 £'000
<b>Net cash used in operating activities</b>	a	<b>(532)</b>	<b>(4,392)</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		141	13
Purchases of property, plant and equipment		(962)	(1,332)
Purchase of Intangible fixed assets		(422)	-
Proceeds from sale of fixed assets		399	809
Investment released to cash		2,320	628
Reinvested income into Fixed Asset Investments		-	-
Investment Management Fees		-	-
<b>Net cash provided by investing activities</b>		<b>1,476</b>	<b>118</b>
Change in cash and cash equivalents in reporting period		944	(4,274)
Cash and cash equivalents at beginning of reporting period		4,991	9,265
<b>Cash and cash equivalents at the end of the reporting period</b>	b	<b>5,935</b>	<b>4,991</b>
<b>Notes to the cash flow statement</b>			
<b>a) Reconciliation of cash flows from operating activities</b>		<b>2023</b>	<b>2022</b>
<b>operating activities</b>		<b>£'000</b>	<b>£'000</b>
Net (expenditure)/income		(1,509)	(4,240)
Adjustments for:			
Depreciation charges		167	175
Amortisation on intangibles		73	13
(Profit) on disposal of assets		(232)	(270)
Dividends and interest from investments		(141)	(13)
Decrease in stocks		130	45
Decrease/(increase) in debtors		492	(706)
Decrease in creditors		488	604
<b>Net cash used in operating activities</b>		<b>(532)</b>	<b>(4,392)</b>
<b>b) Analysis of cash and cash equivalents</b>		<b>At 26 March</b>	<b>At 27 March</b>
		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand		3,896	2,983
Notice deposits (less than 3 months)		2,039	2,008
<b>Total cash and cash equivalents</b>		<b>5,935</b>	<b>4,991</b>

# Notes to Financial Statements for the year ended 26 March 2023

## 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 26 March 2023 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 & Contracts 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 & Contracts

Grants and contracts 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 and contract 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 26 March 2023

### 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 26 March 2023

### 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 26 March 2023

### 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 26 March 2023.

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 26 March 2023

### 2 Voluntary income & Activities for generating funds

Group	2023			2022		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<b>Voluntary income:</b>						
Donations	807	19	826	804	15	819
Trusts & lotteries	3,155	349	3,504	2,568	518	3,086
Legacies	64	75	139	71	4	75
Other	-	47	47	-	21	21
<b>Total voluntary income</b>	<b>4,026</b>	<b>490</b>	<b>4,516</b>	<b>3,443</b>	<b>558</b>	<b>4,001</b>
	2023			2022		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<b>Activities for generating funds:</b>						
Property rental	43	-	43	12	-	12
Prize draws, raffles and corporate income	414	12	426	687	14	701
Fundraising & events	52	4	56	41	-	41
<b>Total activities for generating funds</b>	<b>509</b>	<b>16</b>	<b>525</b>	<b>740</b>	<b>14</b>	<b>754</b>

24% (2021-22: 21%) of the proceeds of the raffle were applied to good causes during the year.

### 3 Grants receivable

Group and Charity	2023 £'000	2022 £'000
<b>Trusts &amp; lotteries</b>		
People's Health Trust	20	217
The Meikle Foundation	2	-
National Lottery Community Fund	59	-
Masonic Charitable Foundation	40	-
Garfield Weston Foundation	-	25
The Eveson Charitable Trust	-	5
Lady Margaret Skiffington Trust	27	-
Basil Samuel Charitable Trust	20	-
Westwood Charitable	10	-
Shetland Charitable Trust	64	63
Northwood Charitable Trust	10	-
Ballinger Charitable Trust	15	-
Julia & Hans Rausing	100	-
Fife Voluntary Action/Scottish Government: Communities Mental Health and Wellbeing Fund	-	10
Players of People's Postcode Lottery	3,000	2,536
Other grants	137	230
<b>Total grants receivable (included within voluntary income)</b>	<b>3,504</b>	<b>3,086</b>
Group and Charity	2023 £'000	2022 £'000
<b>Income from charitable activities</b>		
Coronavirus Job Retention Scheme	-	736
Leeds Social Service	185	194
Voluntary Action Rotherham	32	30
<b>Total grants receivable (included within income from charitable activity)</b>	<b>217</b>	<b>960</b>

### 4 Lottery Income

Lottery income included in Trusts and lotteries in Note 2 and 3 reflects the proceeds from the Unity Lottery.

	2023 £'000	2022 £'000
Lottery ticket value	30	-
Lottery prize fund	(5)	-
Lottery management fee	(10)	-
<b>Total net lottery income</b>	<b>15</b>	<b>-</b>

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	2023 £'000	2022 £'000
Bank interest	141	13
<b>Total investment income</b>	<b>141</b>	<b>13</b>

## Notes to Financial Statements for the year ended 26 March 2023

6 Total Expenditure - Group	Other	Direct costs	Support costs	2023	Other	Direct costs	Support costs	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital services	468	19,925	2,980	23,373	293	16,565	3,313	20,171
Community services	-	8,852	4,319	13,171	-	11,118	4,509	15,627
Services welfare	-	1,992	-	1,992	-	2,042	-	2,042
Fundraising*	-	594	854	1,448	-	729	1,610	2,339
<b>Total expenditure</b>	<b>468</b>	<b>31,363</b>	<b>8,153</b>	<b>39,984</b>	<b>293</b>	<b>30,454</b>	<b>9,432</b>	<b>40,179</b>

Included within 'Hospital services' expenditure above are costs of inventories expensed of £11.1m (2021-22: £8.9m). Included in Other is £468k (2021-22: £293k) 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*	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
<b>Total Support</b>	<b>3,313</b>	<b>4,509</b>	<b>1,610</b>	<b>9,432</b>	

	Hospital services	Community services	Fundraising*	2023	
Support costs comprise:	£'000	£'000	£'000	£'000	Basis
Governance	487	539	-	1,026	No. people
Operations	1,006	599	-	1,605	Direct allocation
Marketing	221	772	-	993	No. services
IT	518	1,034	-	1,552	Direct and time allocated
Fundraising*	-	-	854	854	Direct allocation
Human Resources & Training	360	360	-	720	No. operational people
Central services	349	878	-	1,227	Allocation of duties
Properties	39	137	-	176	Number of services
<b>Total Support</b>	<b>2,980</b>	<b>4,319</b>	<b>854</b>	<b>8,153</b>	

\*Fundraising represents expenditure on raising voluntary income and raising funds in the statement of financial activities.

Decrease in overheads by £1,279k is as a result of a one off VAT provision of £1,224k recognised in the prior year and reduced year on year costs of £55k.

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:

### Depreciation - tangible fixed assets

### Amortisation - intangible fixed assets

### Operating lease rentals

- land and buildings

- other

2023	2022
£'000	£'000
60	52
38	46
167	175
73	13
1,602	1,515
63	78

## Notes to Financial Statements for the year ended 26 March 2023

### 7 Staff costs and Trustees' remuneration

#### Group

Staff costs during the year were as follows:

	2023	2022
	£'000	£'000
Wages and salaries	14,383	13,573
Social security costs	1,203	1,082
Other pension costs	625	595
<b>Subtotal staff costs</b>	<b>16,211</b>	<b>15,250</b>
Redundancy	368	281
Other staff costs	611	681
<b>Total staff costs</b>	<b>17,190</b>	<b>16,212</b>

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	
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 - £70,000	2	4	2	4
£70,001 - £80,000	5	3	5	3
£80,001 - £90,000	-	1	-	1
£90,001 - £100,000	1	-	1	-
£100,001-£110,000	-	1	-	1
£110,001-£120,000	-	2	-	2
£120,001-£130,000	3	1	3	1
£130,001-£140,000	1	-	1	-
£170,001-£180,000	-	1	-	1
£180,001-£190,000	1	-	1	-

The total contribution in the year for the provision of money purchase pension benefits was £132,971 (2021-22: £97,949) in respect of higher paid employees. At the year-end there were 13 (2021-22: 13) 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 26 March 2023. The total salary including benefits of the key management personnel was £877k (2021-22: £581k).

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

	2023	2022
	No.	No.
Operations	754	614
Support	156	141
	<b>910</b>	<b>755</b>
Full time	362	323
Part time	548	432
	<b>910</b>	<b>755</b>
FTE Equivalent	<b>648</b>	<b>560</b>

No Trustees received remuneration for any services as Trustees during the year to 26 March 2023 (2021-22: Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2023	2022
	£'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 (2021-22: £5.0m) and Professional Indemnity is £5.0m (2021-22: £5.0m) and the total premium paid in respect of such insurance was £36,374 (2021-22: £35,084).

### 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 26 March 2023

### 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
<b>Cost</b>							
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)	-	-	-
<b>At 27 March 2022</b>	<b>1,326</b>	<b>886</b>	<b>768</b>	<b>386</b>	<b>-</b>	<b>4,119</b>	<b>7,485</b>
<b>Depreciation &amp; impairment</b>							
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)	-	-	-
<b>At 27 March 2022</b>	<b>318</b>	<b>-</b>	<b>167</b>	<b>200</b>	<b>-</b>	<b>3,913</b>	<b>4,598</b>
<b>Net book values</b>							
<b>At 27 March 2022</b>	<b>1,008</b>	<b>886</b>	<b>601</b>	<b>186</b>	<b>-</b>	<b>206</b>	<b>2,887</b>
<b>Cost</b>							
At 28 March 2022	1,326	886	768	386	-	4,119	7,485
Additions	-	-	-	-	-	962	962
Disposals	(126)	-	-	-	-	(2,522)	(2,648)
Transfer between classes	-	(886)	-	-	-	886	-
<b>At 26 March 2023</b>	<b>1,200</b>	<b>-</b>	<b>768</b>	<b>386</b>	<b>-</b>	<b>3,445</b>	<b>5,799</b>
<b>Depreciation &amp; impairment</b>							
At 28 March 2022	318	-	167	200	-	3,913	4,598
Charge for year	-	-	21	4	-	142	167
Disposals	(50)	-	-	-	-	(2,431)	(2,481)
Transfer between classes	-	-	-	-	-	-	-
<b>At 26 March 2023</b>	<b>268</b>	<b>-</b>	<b>188</b>	<b>204</b>	<b>-</b>	<b>1,624</b>	<b>2,284</b>
<b>Net book values</b>							
<b>At 26 March 2023</b>	<b>932</b>	<b>-</b>	<b>580</b>	<b>182</b>	<b>-</b>	<b>1,821</b>	<b>3,515</b>

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 £1.1m (2021-22: £1.2m).

## Notes to Financial Statements for the year ended 26 March 2023

### (b) Intangible fixed assets

Group (including Charity)	Intangible Assets under construction £'000	Intangible Assets £'000	Total Intangible Assets £'000
<b>Cost</b>			
At 29 March 2021	-	1,713	1,713
Transfer between classes	290	-	290
<b>At 27 March 2022</b>	<b>290</b>	<b>1,713</b>	<b>2,003</b>
<b>Amortisation &amp; impairment</b>			
At 29 March 2021	-	1,687	1,687
Charge for year	-	13	13
<b>At 27 March 2022</b>	<b>-</b>	<b>1,700</b>	<b>1,700</b>
<b>Net book values</b>			
<b>At 27 March 2022</b>	<b>290</b>	<b>13</b>	<b>303</b>
<b>Cost</b>			
At 28 March 2022	290	1,713	2,003
Transfer between classes	(290)	290	-
Additions		422	422
Disposals		(502)	(502)
<b>At 26 March 2023</b>	<b>-</b>	<b>1,923</b>	<b>1,923</b>
<b>Amortisation &amp; impairment</b>			
At 28 March 2022	-	1,700	1,700
Charge for year	-	73	73
Disposals		(502)	(502)
<b>At 26 March 2023</b>	<b>-</b>	<b>1,271</b>	<b>1,271</b>
<b>Net book values</b>			
<b>At 26 March 2023</b>	<b>-</b>	<b>652</b>	<b>652</b>

## Notes to Financial Statements for the year ended 26 March 2023

11 a) Fixed asset investments	Cash & Securities	
	2023	2022
Group and Charity	£'000	£'000
Market value at 28 March 2022	10,420	11,063
Investment released to cash	(2,320)	(643)
<b>Market value at 26 March 2023</b>	<b>8,100</b>	<b>10,420</b>
Historic cost	8,100	10,420
<b>Market value at 26 March 2023</b>	<b>8,100</b>	<b>10,420</b>

Securities held at 26 March 2023 comprised the following:

	2023	2022
	£'000	£'000
Cash & other	8,100	10,420
<b>Fair value</b>	<b>8,100</b>	<b>10,420</b>

### Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2021-22 :£13). Royal Voluntary Service has 3 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
<b>2023</b>				
<b>Royal Voluntary Service (Trading Company) Limited (company number 14697514)</b>	-	-	-	-
Incorporated prior to year end, will commence trading in 2024				
<b>Royal Voluntary Service Meals on Wheels Limited (company number 2778481)</b>	-	4	(4)	989
The provision and delivery of meals to those in need in their home				
<b>WRVS Services Welfare Limited (company number 2778476)</b>	2,216	2,224	(8)	302
The provision of welfare and support to army service men and women serving on military bases throughout the world				
<b>2022</b>				
<b>Royal Voluntary Service Meals on Wheels Limited (company number 2778481)</b>	-	2	(2)	993
The provision and delivery of meals to those in need in their home				
<b>WRVS Services Welfare Limited (company number 2778476)</b>	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				

### 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 26 March 2023

### 12 Debtors

	2023		2022	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade debtors	1,235	1,006	1,680	1,231
Other debtors	90	90	28	28
Amounts due from group undertakings*	-	21	-	-
Prepayments and accrued income	1,240	1,212	1,349	1,332
	<b>2,565</b>	<b>2,329</b>	<b>3,057</b>	<b>2,591</b>

\*The amounts due from group undertakings are trading balances and are therefore unsecured and do not attract interest.

### 13 Creditors: amounts falling due within one year

	2023		2022	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade creditors	1,989	1,986	1,387	1,378
Social security and other taxes	584	441	639	484
Other creditors	162	143	121	97
Accruals and deferred income	3,213	3,146	3,676	3,629
Amounts due to hospitals	1,749	1,749	1,386	1,386
	<b>7,697</b>	<b>7,465</b>	<b>7,209</b>	<b>6,974</b>

### Deferred income movement

	2023		2022	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Balance at 28 March 2022	927	927	1,299	1,299
Amount released in the year	(466)	(466)	(1,036)	(1,036)
Amount deferred in the year	364	364	664	664
Balance at 26th March 2023	<b>825</b>	<b>825</b>	<b>927</b>	<b>927</b>

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 26 March 2023

### 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

		Movement in funds				
Group	Note	At 29 March 2021	Income & gains	Expenditure & losses	Transfers	At 27 March 2022
		£'000	£'000	£'000	£'000	£'000
<b>Restricted funds</b>						
Legacy fund	(a)	483	4	(40)		447
Fixed asset fund	(b)	-	-	-	-	-
Community centres fund	(c)	509	-	(8)	(289)	212
Other funds	(d)	2,729	568	(849)		2,448
<b>Total restricted funds</b>		<b>3,721</b>	<b>572</b>	<b>(897)</b>	<b>(289)</b>	<b>3,107</b>
<b>Designated funds</b>						
Hospital fund	(e)	196	6,139	(7,330)	1,270	275
Fixed asset fund	(f)	2,005	-	(545)	1,465	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	-	-	(290)	196
Community Grants	(h)	150	-	(150)	-	-
Development fund	(j)	185	-	(185)	-	-
National Academy for Social Prescribing	(m)	-	-	(88)	100	12
IT strategic development	(n)	-	-	-	140	140
Web development	(o)	-	-	-	32	32
Shaping the Future With Volunteering	(p)	-	91	(54)	-	37
<b>Total designated funds</b>		<b>4,407</b>	<b>6,553</b>	<b>(8,964)</b>	<b>2,717</b>	<b>4,713</b>
<b>General funds</b>		<b>11,082</b>	<b>28,814</b>	<b>(30,318)</b>	<b>(2,428)</b>	<b>7,150</b>
<b>Total unrestricted funds</b>		<b>15,489</b>	<b>35,367</b>	<b>(39,282)</b>	<b>289</b>	<b>11,863</b>
<b>Total funds</b>		<b>19,210</b>	<b>35,939</b>	<b>(40,179)</b>	<b>-</b>	<b>14,970</b>

		At 28 March 2022	Income & gains	Expenditure & losses	Transfers	At 26 March 2023
		£'000	£'000	£'000	£'000	£'000
<b>Restricted funds</b>						
Legacy fund	(a)	447	75	(32)	-	490
Community centres fund	(b)	212	-	(8)	-	204
Other funds	(c)	2,448	260	(1,028)	-	1,680
<b>Total restricted funds</b>		<b>3,107</b>	<b>335</b>	<b>(1,068)</b>	<b>-</b>	<b>2,374</b>
<b>Designated funds</b>						
Hospital fund	(d)	275	7,461	(8,252)	1,093	577
Fixed asset fund	(e)	2,925	43	12	-	2,980
Community centres fund	(c)	53	-	(2)	-	51
Community bank accounts	(f)	885	380	(390)	-	875
Strategic Investment - Retail Branding	(g)	29	-	(24)	-	5
Peoples Postcode Lottery - 2020-21	(h)	39	-	-	(39)	-
Strategic Investment in IT - TTP	(i)	90	-	(90)	-	-
Strategic Investment in IT - CRM/VMS	(i)	196	-	(196)	-	-
National Academy for Social Prescribing (NASP)	(j)	12	-	(12)	-	-
IT strategic development	(k)	140	-	(140)	37	37
Web development	(l)	32	-	(6)	23	49
Shaping the Future With Volunteering	(m)	37	125	(41)	-	121
Transition costs	(n)	-	-	-	49	49
Step Forward	(o)	-	-	-	78	78
<b>Total designated funds</b>		<b>4,713</b>	<b>8,009</b>	<b>(9,141)</b>	<b>1,241</b>	<b>4,822</b>
<b>General funds</b>		<b>7,150</b>	<b>30,131</b>	<b>(29,775)</b>	<b>(1,241)</b>	<b>6,265</b>
<b>Total unrestricted funds</b>		<b>11,863</b>	<b>38,140</b>	<b>(38,916)</b>	<b>-</b>	<b>11,087</b>
<b>Total funds</b>		<b>14,970</b>	<b>38,475</b>	<b>(39,984)</b>	<b>-</b>	<b>13,461</b>

## Notes to Financial Statements for the year ended 26 March 2023

### 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) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) 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. Progress made in year with a small balance to be expended in 2023-24.
- h) Players of People's Postcode Lottery projects related to the investment in trolley services. With the strategic realignment in year and the subsequent rationalisation of hospital sites the residual has been released to general funds.
- i) Technology Transformation Programme - All funds expended in year.
- j) NASP - All funds expended in the year
- k) IT development - brought forward balance expended in the year. £37k designated to complete strategic project.
- l) Web development - ongoing work.
- m) 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 2024.
- n) Transition costs - £49k transferred from general funds to complete the realignment, all funds to be expended by March 2024.
- o) Step Forward - £78k designated to continue recruitment of volunteers. All funds to be expended by March 2024

## Notes to Financial Statements for the year ended 26 March 2023

### 15 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
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
<b>Net assets</b>	<b>7,150</b>	<b>4,713</b>	<b>3,107</b>	<b>14,970</b>
2023				
Fund balances at 28 March 2022 are represented by:				
Fixed assets	932	3,031	204	4,167
Fixed asset investments	8,100	-	-	8,100
Net current assets	(2,767)	1,791	2,170	1,194
<b>Net assets</b>	<b>6,265</b>	<b>4,822</b>	<b>2,374</b>	<b>13,461</b>

### 16 Financial and capital commitments

#### Operating leases

At 26 March 2023 the commitments under non-cancellable operating leases were as follows:

Group & Charity	Land and buildings		Other	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Expiring:				
- within one year	656	618	-	8
- within two to five years	1,908	1,617	-	-
- thereafter	910	1,205	-	-
<b>Total</b>	<b>3,474</b>	<b>3,440</b>	<b>-</b>	<b>8</b>

#### Capital commitments

At 26 March 2023 the group and charity had £nil capital commitments (2021-22: £291k).

#### Finance Commitments

At 26 March 2023 the group and charity had £nil commitments (2021-22: £218k).

### 17 Related parties

A member of key management personnel made donations to the charity during the year amounting to £1,331.

The only relevant related party transactions as required by FRS102 at 26 March 2023 are with the subsidiaries of the charity:

#### Charity intercompany balances at year end

	2023 £'000	2022 £'000
WRVS Services Welfare Limited	21	-
Royal Voluntary Service Meals on Wheels Limited	-	-
	<b>21</b>	<b>-</b>

In 2022-23 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 (2021-22 £ 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 26 March 2023

### 18 Analysis of changes in net debt

	At start of year	Cash-flows	Fair Value 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
<b>Total</b>	<b>9,265</b>	<b>(4,274)</b>	<b>-</b>	<b>4,991</b>

	At start of year	Cash-flows	Movement	At end of year
2023	£'000	£'000	£'000	£'000
Cash	2,983	913	-	3,896
Cash equivalents	2,008	31	-	2,039
<b>Total</b>	<b>4,991</b>	<b>944</b>	<b>-</b>	<b>5,935</b>