

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**  
**REGISTERED COMPANY NO: SC290960**  
**REGISTERED CHARITY NO: SC036845**

**DIRECTORS REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Directors</b>	Kenneth Simpson (Chair) Olivia Cockburn (Vice-Chair) Gordon Edwards Matthew Reid Patricia Telford John Tomlinson Clare Trembleau Louise Baxter Paul O'Connor Jenna McArthur (Appointed 21 May 2017)
<b>Secretary</b>	Joyce Duncan
<b>Charity number</b>	SC036845
<b>Company number</b>	SC290960
<b>Principal address and Registered office</b>	38 Castle Street Aberdeen AB11 5YU
<b>Auditors</b>	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL
<b>Bankers</b>	Royal Bank of Scotland 78 Union Street Aberdeen AB10 1HH
<b>Solicitors</b>	Burness Paul LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

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## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **DIRECTORS' REPORT** **YEAR ENDED 31 MARCH 2017**

The directors present their report and audited financial statements for the year ended 31 March 2017.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in 2015.

#### **Objectives and activities**

The charity's objects are "To promote all or any activities for the benefit of the community, now or hereafter deemed by law to be charitable. To assist the work of voluntary organisations and statutory authorities engaged in the advancement of education, the furtherance of health, the relief of poverty, distress or sickness or other charitable purpose."

The whole ACVO staff team work on these activities.

The directors have paid due regard to guidance issued by the Office of the Scottish Charity Regulation (OSCR) in deciding what activities the charity should undertake.

#### **Achievements and performance**

ACVO continued to operate as the Third Sector Interface for Aberdeen City and satisfied the terms of the contract from the Scottish Government in this regard.

As is the norm in the 3<sup>rd</sup> sector a number of changes in contracts and funding took place over the year.

Significant activities include:

- Continuing to work with Community Planning Partners to carry out a strategic review of the CPP environment and work towards improving the level and effectiveness of 3<sup>rd</sup> sector involvement in the community planning process. New focus on the disadvantaged localities and preparation of locality plans involving a diverse range of each community.
- Working with the 3<sup>rd</sup> sector via a number of fora to encourage engagement and feedback on issues such as community planning, health and social care integration, community justice, volunteering, mental health and children's services.
- Work continued on making Aberdeen a Dementia Friendly city with funding from Life Changes Trust. ACVO produced a regular dementia newsletter and linked to shaping the new dementia strategy for the city.
- Significant time has gone into work with the 3<sup>rd</sup> sector and public sector partners on the Integration of Health and Social Care. The move toward locality working, co-production on transforming care in particular work in relation to Community Links Workers ACVO has also been involved in a number of groups looking at the use of the Integrated Care Fund for transformational projects involving all sectors.
- Once again increasing the number of volunteers in the city including the Saltire awards for youth volunteering and the Business Skills Volunteering scheme. Celebrating the success of volunteering at the ACVO awards event and through certificates for ACVO volunteers during Volunteers Week.
- Supporting the start up and development of charities, social enterprises and community groups across the city.
- Working with children's services providers in the Champions Board to deliver a new fund to support Looked After Children purchase items not available from other sources. These include articles for study, hobbies and to improve their living conditions.

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **DIRECTORS' REPORT (CONTINUED)** **YEAR ENDED 31 MARCH 2017**

#### **Financial review**

During the financial year the charity generated a total surplus of £10,165. This figure is split into an unrestricted surplus of £10,165 and a restricted result of £nil. The increase in surplus of unrestricted funds is a direct result of careful cost control and monitoring.

The charity has both restricted and unrestricted reserves. Restricted reserves constitute grants received which have specific limitations to their use. The balance on restricted reserves as at 31 March 2017 is £Nil. The balance on unrestricted reserves is £150,281 (2016 - £140,116). The accumulation of unrestricted reserves means that ACVO is a step closer to achieving the trustees target reserve balance equivalent to 3-6 months of operational expenditure, currently approximately £200k to £400k.

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

The principal funding sources are The Scottish Government, Aberdeen City Community Planning and Integrated Care Fund.

No specific fundraising activities are undertaken by the charity.

#### **Plans for the future**

ACVO's future plans are based around the four pillars of its strategic direction, to support, involve, develop and represent the 3<sup>rd</sup> sector within Aberdeen City. This is done alongside the TSI common services delivered on behalf of the Scottish Government.

The operational plans involve developing the use of forums and events to encourage debate on legislation or subjects of topical interest. These are likely to continue on current themes linked to Community Planning, Health & Social Care Integration, Volunteering, Children's Services and Community Justice.

ACVO will also continue to support 3<sup>rd</sup> sector organisations to be agile, change oriented and innovative in response to reductions in funding sources. It will support organisations in all sectors to be involved in volunteering and to promote the advantages and benefits of volunteering to all citizens of Aberdeen.

#### **Structure, governance and management**

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association and recognised as a charity by the Office of the Scottish Charity Regulator in accordance with the provisions of The Charities and Trustee Investment (Scotland) Act 2005. In accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up.

The directors, who also act as trustees for the charitable activities of Aberdeen Council of Voluntary Organisations, and who served from 1 April 2016 were:

Gordon Edwards  
Matthew Reid  
Kenneth Simpson  
Neil Skene (Resigned 10 November 2016)  
Patricia Telford  
John Tomlinson

Clare Trembleau  
Olivia Cockburn  
Louise Baxter  
Paul O'Connor  
Gayle Kaufman (Appointed 28 April 2016 and Resigned 20 May 2017)  
Anne Murray (Appointed 23 June 2016 and Resigned 20 May 2017)  
Jenna McArthur (Appointed 21 May 2017)

As set out in the Articles of Association, the members may appoint further members as and when it is desired.

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **DIRECTORS' REPORT (CONTINUED)** **YEAR ENDED 31 MARCH 2017**

#### **Structure, governance and management (Cont'd)**

Prospective trustees submit a statement relating to their interest, experience and expertise for consideration by the board, before being put forward for nomination at the annual general meeting. Any member of Aberdeen Council of Voluntary Organisations is entitled to nominate and elect trustees at the annual general meeting. The board of management can co-op further trustees to serve until the next annual general meeting.

Following appointment of a new trustee, induction sessions are held. At these events, trustees are updated on the history and ethos of the charity, current issues, plans for the future and introduced to each individual staff member and their work.

The trustees meet on a regular basis and administer the charity. The Chief Executive Officer (Joyce Duncan) manages the day to day operations of the charity.

#### **Risk management**

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Connected charities**

The following are connected to the charity through their association with one or more of the directors:

- Aberdeen Association of Social Service (VSA)
- Aberdeen Social Enterprise Network Limited
- Castlehill Housing Association Limited
- Footprints Connect Limited
- Grampian Housing Association Limited
- Grampian Regional Equality Council
- Inspire (Partnership Through Life) Limited
- Langstane Housing Association Limited
- NYOP Education (Aberdeen) Limited
- Sport Aberdeen
- Sursum Consulting Limited
- Fraserburgh Development Trust
- Seaton Taking Action for Regeneration
- Inchgarth Community Council
- Garthdee Community Council
- Castlegate Arts
- I-Connect North East
- Bon Accord Care
- Aberdeen City Community Centre Forum
- Garthdee Liaison Group
- Apex Scotland
- Aberdeen Football Club Community Trust

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **DIRECTORS' REPORT (CONTINUED)** **YEAR ENDED 31 MARCH 2017**

#### **Statement of directors' responsibilities**

The directors, who also act as trustees for the charitable activities of Aberdeen Council of Voluntary Organisations, are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgement and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


#### **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

#### **Auditors**

A resolution proposing that Hall Morrice LLP be reappointed as auditors of the charity will be put to the members.

On Behalf of the board of directors



Kenneth Simpson

**Director**

Dated: 15 September 2017

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **INDEPENDENT AUDITORS' REPORT** **TO THE MEMBERS OF ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

We have audited the financial statements of Aberdeen Council of Voluntary Organisations for the year ended 31 March 2017 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 members, as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out in the Directors' report the directors (who are also the charity trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**  
**(CONTINUED)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report.

**Shonagh L Fraser MA CA**

**Senior Statutory Auditor**

For and on behalf of Hall Morrice LLP

Statutory Auditor

Aberdeen

Dated: 15 September 2017

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and grants	2	238,225	-	238,225	237,875
Income from investments	3	418	-	418	540
Income from charitable activities	4	102,802	207,390	310,192	519,138
Other Income	5	<u>2,369</u>	<u>-</u>	<u>2,369</u>	<u>10,152</u>
<b>Total Income</b>		<b><u>343,814</u></b>	<b><u>207,390</u></b>	<b><u>551,204</u></b>	<b><u>767,705</u></b>
<b>Expenditure on:</b>					
Charitable activities	6	<u>333,649</u>	<u>207,390</u>	<u>541,039</u>	<u>748,637</u>
<b>Total expenditure</b>		<b><u>333,649</u></b>	<b><u>207,390</u></b>	<b><u>541,039</u></b>	<b><u>748,637</u></b>
<b>Net income</b>		10,165	-	10,165	19,068
Gross transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		10,165	-	10,165	19,068
Total funds brought forward		<u>140,116</u>	<u>-</u>	<u>140,116</u>	<u>121,048</u>
<b>Total funds carried forward</b>		<b><u>150,281</u></b> <b>=====</b>	<b><u>-</u></b> <b>=====</b>	<b><u>150,281</u></b> <b>=====</b>	<b><u>140,116</u></b> <b>=====</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

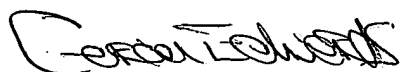
**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	9		3,046		1,648
<b>Current assets</b>					
Debtors	10	26,315		36,418	
Cash at bank and in hand		<u>259,635</u>		<u>507,905</u>	
		285,950		544,323	
<b>Creditors: amounts falling due within one year</b>	11	<u>(138,715)</u>		<u>(405,855)</u>	
<b>Net current assets</b>			<u>147,235</u>		<u>138,468</u>
<b>Net assets</b>			<u>150,281</u>		<u>140,116</u>
			=====		=====
<b>Reserves</b>					
Restricted funds	13		-		-
Unrestricted funds			<u>150,281</u>		<u>140,116</u>
			<u>150,281</u>		<u>140,116</u>
			=====		=====

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were authorised for issue and approved by the Board on 15 September 2017.



Gordon Edwards  
Director

Company Registration No. SC290960

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Cash used in operating activities (Note 17)</b>	<b>(240,959)</b>	<b>(22,263)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,398)	(1,146)
Interest Income	<u>418</u>	<u>540</u>
	<u>(980)</u>	<u>(606)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(241,939)</b>	<b>(22,869)</b>
Cash and cash equivalents at beginning of year	<u>489,729</u>	<u>512,598</u>
<b>Cash and cash equivalents at end of the year</b>	<b>247,790</b> <b>=====</b>	<b>489,729</b> <b>=====</b>

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2017**

#### **1 Accounting policies**

##### **1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has adequate resources and is well placed to manage future risks. The Charity's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The financial statements have therefore been prepared on the basis that the Charity is a going concern.

##### **1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for the deficit arising on the multi-employer pension scheme. The initial liability recognised at the date of transition was for the pension deficit as at 31 March 2015 of £31,379. The deficit as at 31 March 2016 was £33,670, therefore, the surplus for the year as per the Statement of Financial Activities has been restated for the movement of £2,291. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income for the year is provided.

	<b>1 April 2015 £</b>	<b>31 March 2016 £</b>
<b>Reconciliation of funds and balances</b>		
Fund balances as previously stated	152,427	173,786
Pension fund deficit	<u>(31,379)</u>	<u>(33,670)</u>
Fund balances as restated	121,048	140,116
	=====	=====
<b>Reconciliation of reported net income</b>		<b>£</b>
Net income as previously stated		21,359
Movement in pension deficit		<u>(2,291)</u>
Net income as restated		19,068
		=====

## **ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2017**

#### **1.3 Incoming resources**

Voluntary income is received by way of donations and grants received and is included in full in the Statement of Financial Activities when receivable. Donations for specific purposes are matched against the related expenditure, and are credited to the income and expenditure account in the period in which the expenditure is incurred. Any such donation which has not been matched with expenditure at the financial period end is carried forward to future periods as deferred income.

This treatment is contrary to the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" which requires:

- all income to be recognised as soon as the charity is entitled to the income and all conditions attached to its use have been satisfied;
- there is reasonable certainty that it will be received; and
- its monetary value can be measured with sufficient reliability.

However, the directors believe that implementing such a policy would not reflect the true financial position of the charity due to it receiving large grants attributable to a subsequent period in advance of its year end.

The effect of this departure from the Statement of Recommended Practice is that the restricted reserves as at 31 March 2017 would have been £13,733 (2016 - £105,990)

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Grant income relating to general activities is credited to the Statement of Financial Activities when it is received. Grants or donations for specific purposes are matched against the related expenditure, and are credited to the income and expenditure account in the period in which the expenditure is incurred.

Investment income is included when receivable.

#### **1.4 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Costs of charitable activities comprises the costs associated with the charity's principal activities and are accounted for when payable.

Governance costs are included in charitable activities and represents expenditure associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis. Staff salaries and expenditure relating to specific projects are allocated directly against the income for that project. In addition where a project allows the proportion of general overhead costs relating to that project are also allocated against the income.

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years straight line
Fixtures, fittings & equipment	25% reducing balance

**1.6 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.7 Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

The charity operated a multi employer defined benefit scheme which was accounted for as a defined contribution scheme. This scheme is closed to new entrants.

**1.8 Accumulated funds**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

General funds are donations and other incoming resources received or generated for charitable purposes.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.10 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

**1.11 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**2 Donations and grants**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Grants receivable for core activities	238,225 =====	- =====	238,225 =====	237,875 =====

In 2016, £237,875 was attributable to Unrestricted Funds.

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<b>3</b>	<b>Income from investments</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Interest receivable	418	540
		=====	=====

In 2017 and 2016 all income from investments was attributable to unrestricted funds.

<b>4</b>	<b>Income from charitable activities</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Courses income	1,786	-	1,786	8,087
	Communications income	10,560	-	10,560	15,695
	Grants	90,456	192,390	282,846	480,356
	Community planning website income	-	15,000	15,000	15,000
		102,802	207,390	310,192	519,138
		=====	=====	=====	=====

In 2016, £405,489 was attributable to Restricted funds and £113,649 to Unrestricted funds.

<b>5</b>	<b>Other income</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Other income	2,369	10,152
		=====	=====

In 2017 and 2016 all other income was attributable to Unrestricted Funds.

<b>6</b>	<b>Charitable activities</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Wages	302,975	124,487	427,462	567,041
	Sub-contractor costs	142	-	142	-
	Conference expenses	4,842	980	5,822	19,594
	Office costs	53,344	207	53,551	83,822
	Rent, rates and insurances	29,193	-	29,193	36,787
	Travelling expenses	8,829	1,869	10,698	9,841
	Consultancy fees	2,250	-	2,250	8,385
	Staff development	2,430	205	2,635	5,541
	Events	3,646	-	3,646	3,855
	Recharge of overhead expenses	(79,642)	79,642	-	-
	Depreciation	-	-	-	8,131
	Audit fees	5,640	-	5,640	5,640
		333,649	207,390	541,039	748,637
		=====	=====	=====	=====

In 2016, £405,489 was attributable to Restricted funds and £343,148 to Unrestricted funds.

Audit fees relates to fees payable for the audit of the charity's annual report and financial statements.



**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**7 Directors**

No directors received remuneration from the charity and no directors are paid any expenses for attending board meetings.

**8 Employees**

	<b>2017</b>	<b>2016</b>
<b>Number of employees</b>	<b>Number</b>	<b>Number</b>
The average monthly number of employees during the year was:		
Administration and support workers	15	22
	=====	=====
<b>Employment costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	360,661	496,048
Social security costs	35,629	44,734
Other pension costs	<u>31,172</u>	<u>26,259</u>
	427,462	567,041
	=====	=====

There were no employees whose annual remuneration was £60,000 or more.

During the year the key management personnel was the chief executive officer whose employee benefits total £45,000 (2016 - £45,000).

**9 Tangible fixed assets**

	<b>Computer equipment £</b>	<b>Fixtures fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2016	29,632	8,017	37,649
Additions	<u>-</u>	<u>1,398</u>	<u>1,398</u>
At 31 March 2017	<u>29,632</u>	<u>9,415</u>	<u>39,047</u>
<b>Depreciation</b>			
At 1 April 2016	28,550	7,451	36,001
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>
At March 2017	<u>28,550</u>	<u>7,451</u>	<u>36,001</u>
<b>Net book value</b>			
At 31 March 2017	1,082	1,964	3,046
	=====	=====	=====
At 31 March 2016	1,082	566	1,648
	=====	=====	=====

**10 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	24,551	30,418
Prepayments and accrued income	<u>1,764</u>	<u>6,000</u>
	26,315	36,418
	=====	=====

In 2017 and 2016 all Debtors relate to Unrestricted funds

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Bank overdrafts	11,845	18,176
	Trade creditors	9,079	21,859
	Other creditors	94,003	245,847
	Accruals	10,055	13,983
	Deferred income	<u>13,733</u>	<u>105,990</u>
		138,715	405,855
		=====	=====

In 2016 and 2017, £318,167 and £74,066 respectively of Creditors related to Restricted Funds.

**12 Pension and other post-retirement benefit commitments**

**Defined benefit**

The charity participated in the SCVO final salary pension scheme which is a multi-employer defined benefit scheme.

Under the SCVO final salary pension scheme the contribution rate required for the charity is set on a grouped basis, combining the experience of the employer with other employers also participating in the Fund.

In accordance with the Charities SORP FRS 102 the payments to fund any deficit liability relating to past service is recognised as a liability. This liability is recognised at the present value of contributions payable that result from the terms of the agreement with the multi-employer plan. The expenses that relate to this are allocated to the activities in the SOFA to which the past service cost relates.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Contributions payable by the charity for the year	2,438	2,521
Movement in pension deficit	<u>-</u>	<u>2,291</u>
	2,438	4,812
	=====	=====
Pension deficit liability	(33,670)	(33,670)
	=====	=====

The accrual of benefits scheme was closed from 31 March 2010.

**Defined contribution**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Contributions payable by the charity for the year	28,734	21,447
	=====	=====

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**13 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2016	Income resources	Resources expended	Transfers	Balance at 31 March 2017
	£	£	£	£	£
Alcohol and Drugs					
Partnership	-	17,634	(17,634)	-	-
Life Changes	-	13,402	(13,402)	-	-
Integration	-	56,000	(56,000)	-	-
Change Fund Children's Service	-	56,394	(56,394)	-	-
Civic Forum	-	1,170	(1,170)	-	-
Community Planning Website	-	15,000	(15,000)	-	-
HIF	-	9,685	(9,685)	-	-
Transport	-	38,105	(38,105)	-	-
	-	207,390	(207,390)	-	-
	===	=====	=====	===	===

The Alcohol and Drugs Partnership (ADP) fund is for the co-ordination and development of the ADP website, e-updates and newsletters. The fund covers a part time ADP Information Officer's employment costs.

The Change Fund Children's Services is for supporting the Third Sector to deliver the Integrated Children's Services Plan 2011-2015 and to improve the outcomes for all Aberdeen's children, young people and families. The fund covers part of the salary of the children and young people's officer and 5 hours of administration time per week together with a contribution to general fund expenditure.

The purpose of the Civic Forum fund is for providing support to the Aberdeen Civic Forum. The fund covers part of an employee's wages together with a contribution to general fund expenditure.

The Community Planning Website fund is for providing support, management and administration services in relation to the website. The fund covers part of the salary of the community planning administrator.

The HIF funding was from NHS Grampian to support community wellbeing in Lower Deeside through a development worker and events and surveys.

Life Changes Trust is for support towards raising awareness of the issue of dementia in the city. Working with other partners on the dementia friendly Aberdeen plan and building awareness of the support available from all sectors.

Integration funding is to enable the statutory members of the Health and Social Care partnership engage and work in a co-productive way with the 3<sup>rd</sup> sector in Aberdeen. It has supported the development of a Links Worker approach in the city and the establishment of locality groups to reflect the varying needs of different communities in Aberdeen.

Transport was the last phase of the social transport project which looked at the needs of people with difficulties in accessing public transport to attend medical or social prescribed appointments and events. It supported the Thinc in the City transport hub and various volunteer and 3<sup>rd</sup> sector transport options.

**ABERDEEN COUNCIL OF VOLUNTARY ORGANISATIONS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**14 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	3,046	-	3,046
Current assets	211,884	74,066	285,950
Creditors: amounts falling due within one year	<u>(64,649)</u>	<u>(74,066)</u>	<u>(138,715)</u>
	150,281	-	150,281
	=====	=====	=====

**15 Commitments under operating leases**

	2017 £	2016 £
Future minimum lease payments due under operating leases:		
Within one year	25,269	25,269
In two to five years	<u>40,106</u>	<u>65,375</u>
	63,375	90,644
	=====	=====

**16 Related parties**

The charity is connected to several organisations as detailed in the Directors' report. During the year under review the charity entered into transactions with related parties as follows:

Expenditure paid to:

- Langstane Housing Association Limited for meeting fees £Nil (2016 – £96); and
- Aberdeen Association of Social Service for rent of offices £32,398 (2016 - £29,890).

Amounts due from related parties at 31 March 2017:

- Grampian Housing Association Limited £Nil (2016 - £1,090);
- Inspire Limited £Nil (2016 - £25); and
- I-Connect North East £50 (2016 – £Nil).

Amounts due to related parties at 31 March 2017:

- Aberdeen Association of Social Service £1,985 (2016 - £6,000).

**17 Cash generated from operations**

	2017 £	2016 £
Net movement in funds	10,165	19,068
<b>Adjustments for:</b>		
Investment income	(418)	(540)
Depreciation	-	8,131
<b>Movements in working capital:</b>		
Decrease in debtors	10,103	75,409
Decrease in creditors	<u>(260,809)</u>	<u>(124,331)</u>
<b>Cash generated absorbed by operations</b>	<u>(240,959)</u>	<u>(22,263)</u>
	=====	=====