Charity registration number SC010691 (Scotland)

Company registration number SC143208 (Scotland)

VOLUNTARY ACTION ORKNEY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

VOLUNTARY ACTION ORKNEY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	F Coupewhite	
	S Garson	(Appointed 6 November 2025)
	H Green	(Appointed 20 April 2026)
	N Kermode	(Appointed 5 January 2026)
	K McKerrell	
	W Neish	
	A Sharkey	
	J Temple	
Secretary	M Brooks	
Chief Executive	M Brooks	
Charity number	SC010691	
Company number	SC143208	
Registered office	Anchor Buildings 6 Bridge Street Kirkwall Orkney KW15 1HR	
Auditor	A.J.B. Scholes Ltd 8 Albert Street Kirkwall Orkney KW15 1HP	
Bankers	Bank of Scotland 56 Albert Street Kirkwall Orkney KW15 1HJ	
	Virgin Money 3 Broad Street Kirkwall Orkney KW15 1DH	

VOLUNTARY ACTION ORKNEY

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VOLUNTARY ACTION ORKNEY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report and financial statements for the year ended 31 March 2026.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)"

Objectives and activities
The charity's objects are:

- to advance throughout Orkney, citizenship, community development, rural regeneration and the promotion of civic responsibility through volunteering and the voluntary sector; and
- to ensure the effectiveness and efficiency of charities and voluntary organisations throughout Orkney, including those that are engaged in advancing education, furthering health and protecting and promoting Orkney's arts and heritage, in order to relieve poverty, sickness and distress.

VAO's vision is that Orkney has resilient, sustainable inclusive communities with a thriving third sector at their heart.

VAO works with local and national partners to offer integrated services inclusive to all people in Orkney. VAO supports the high level and quality of volunteering activity in Orkney and is committed to working in partnership to support and strengthen communities through the provision of quality services. The organisation has four key aims:

- **Building Capacity**: Developing the capacity of volunteers, community groups, voluntary organisations and social enterprise to achieve positive change and support future generations of our communities.
- **Source of Knowledge**: To be a central source of knowledge about: Third Sector locally, local and national policy and how it might affect local TS, communities and citizens, and how the Third Sector can contribute to those agendas.
- **Connecting partners**: Providing leadership, vision and coordination to the local third sector, to better respond to local priorities, including through partnership and collaboration.
- **Voice of the Local Third Sector:** Ensuring a strong local third sector voice at a strategic level within local planning structures and nationally.

The main objectives for the year were to meet the local and national targets set out in the VAO Workplan 2023-26. These relate to the Scottish Government's aspirations for Third Sector Interfaces, the needs and priorities identified by the local third sector and the Orkney Community Plan, incorporating the Local Outcomes Improvement Plan.

Achievements and performance
Strengthening VAO for the Future

Building Resilience Through Change
The year 2025–26 was a year of significant organisational change for Voluntary Action Orkney (VAO). As the voluntary and community sectors faced economic pressures and changing expectations, VAO strengthened its own foundations to ensure it could continue to provide effective leadership and support to communities across Orkney.

A major milestone this year was the implementation of a new organisational structure. Clearer roles and responsibilities and reinforced management arrangements improved the alignment between strategic priorities and operational delivery. The introduction of new and revised posts also increased organisational capacity in areas, including communications and partnerships, creating a stronger platform for future activity.

This year we also highlighted the importance of strong governance during periods of organisational change. Directors provided strategic leadership while supporting the organisation through transition and succession planning. Continued focus on risk management and organisational sustainability helped ensure that VAO is well positioned to respond to future opportunities and challenges.

Throughout the year, the organisation also began developing new approaches to understanding and engaging with its membership. Consultation and relationship-building activity have provided valuable insight into the changing needs of the sector and will help shape future services and support.

These developments represent an investment not only in VAO as an organisation, but in the communities and organisations it exists to support. By strengthening its own foundations, VAO is bolstering its capacity to build partnerships and respond effectively to the changing needs of Orkney's third sector.

While much of this work took place behind the scenes, its purpose was simple: to optimise VAO's ability to serve Orkney's voluntary and community sector.

"A stronger VAO means better support for our members, volunteers, partners and communities. The changes we have made this year have been about strengthening our foundations, improving how we work, and making sure we are better placed to respond to the needs of Orkney's third sector. Change is not always easy, but it has helped us build resilience, improve our focus and prepare for the future."

Morven Brooks

Chief Executive Officer, Voluntary Action Orkney

Supporting a Sector in Transition

This year, VAO provided direct support to 223 organisations and 64 individuals across Orkney, excluding volunteering enquiries and volunteer support activity. This support ranged from one-off guidance to more involved help with governance, constitutions, funding, policy development and legislative change.

The voluntary and community sector continues to operate in an increasingly complex environment. During 2025–26, organisations across Orkney faced new legislative requirements, evolving governance expectations, financial uncertainty and increasing demand for services. In response, VAO worked alongside organisations to help them understand their responsibilities, adapt to change and maintain effective governance.

One of the most significant areas of change was the evolving legislative and regulatory environment. Changes to the Protecting Vulnerable Groups (PVG) scheme, developments arising from the Charities (Regulation and Administration) (Scotland) Act and preparations for wider governance and reporting requirements created new responsibilities for many organisations. For smaller groups in particular, understanding what these changes meant in practice could be challenging.

VAO provided information, guidance, and individual support to help organisations understand their responsibilities and respond confidently. By translating complex legislative requirements into practical advice, organisations were better able to maintain compliance, develop governance arrangements and ultimately continue delivering services with confidence.

Opening More Pathways into Participation

Participation remains at the heart of strong and connected communities. Throughout 2025–26, VAO supported people of all ages and backgrounds to engage with volunteering.

There is a growing recognition of the personal, professional and social benefits that volunteering can offer and we saw encouraging growth in volunteering activity across Orkney.

More people came forward seeking opportunities to volunteer, with enquiries increasing significantly compared to previous years. The increase in participation locally follows the national trend with evidence demonstrating that volunteer participation is beginning to recover following the Covid-19 pandemic and cost of living crisis.

Many people engaging with volunteering were looking for opportunities that aligned with their interests and circumstances. Young adults aged between 16-34 were the largest group taking up volunteering opportunities. Those aged 35-59 were the second largest group and those aged 60 and over were the smallest. In response, VAO worked closely with individuals and organisations to create meaningful matches and support positive volunteering experiences. This included helping people explore career pathways, gain relevant work experience and improve their connections within the community.

"Volunteering has helped to boost my CV as well as my sense of purpose and satisfaction - I feel very positive about helping the organisation and the people involved. Having the opportunity to build confidence in interacting with people through volunteering has been really beneficial for boosting my experience and helping with applying for jobs."

Alongside mainstream volunteering activity, significant progress was made in developing supported volunteering opportunities. Through building relationships with local organisations and community groups, and increasing our communities' awareness of the service we were able to identify a range of suitable volunteering opportunities for our supported volunteers.

Through the provision of referral pathways and mentor support, the service has created new routes into volunteering for individuals who may previously have found participation difficult or inaccessible.

Our local partnerships have been essential in developing inclusive placements and continuing to promote the value of supported volunteering across the local community.

Although many supported volunteer placements were still in their early stages by the end of the reporting year, initial feedback demonstrated the immediate difference that the right support can make.

"Before I started, I was really quite nervous and anxious, but I've definitely been feeling happier since I started volunteering because it gives me a purpose to get up in the morning and to meet new folks."

"I would say I feel more confident now and having my mentor with me has been great... and I can really connect and relate with him."

"I enjoy the job satisfaction that I get from it and I'm learning things too – how to follow instructions and stay focused on what I'm doing right until I've finished the task."

"It feels good to be putting something back into the community, and it's opened my eyes to what is out there."

Young People Participating and Leading Youth development initiatives also created practical opportunities for young people to participate in community decision-making and support local organisations. Over the past year, 248 young people took part in the Youth Philanthropy Initiative across five schools, with 83 finalists presenting on behalf of third sector organisations. Alongside this, 12 young people participated in ROAR, 6 in the Youth Local Action Group (YLAG), and 79 young people engaged through school drop-ins.

A particular focus this year was improving accessibility and inclusion. Changes to youth engagement activities enabled more young people to participate in ways that reflected their individual needs and circumstances. Expanded opportunities for involvement created stronger pathways into volunteering, leadership and civic participation, helping young people become active contributors to community life.

During the reporting year, youth development initiatives channelled £19,422 to third sector organisations in Orkney, including £12,000 through Youth Philanthropy Initiative (YPI), £4,870 through YLAG and £2,552 through ROAR. This demonstrates the practical contribution young people make to local organisations, while developing confidence, leadership and community decision-making skills. The impact of this work extends beyond the individuals directly involved. Volunteers strengthen organisations, support community services and contribute to social connection across Orkney. Young people who develop self-confidence and leadership skills today become the community leaders of the future.

Together, these developments demonstrate the value of creating accessible pathways into participation. By reducing barriers and supporting people to contribute in ways that work for them, VAO is helping to build stronger, more connected and more inclusive communities.

- 113 new volunteer enquiries
- 30 new Volunteers registered,
- 64 Volunteer-Involving organisations supported
- 105 young people volunteering including 30 new Saltire volunteers
- 76 Saltire Awards amounting to 3870 hours of volunteering, given out at the Orkney Youth Awards
- 24 Challenge Awards and 3 Summit Awards also given out at the Orkney Youth Awards

Young People Participating and Leading

79 young people engaged through school drop-ins

248 young people participated in YPI across five schools

83 YPI finalists presented their ideas for local third sector organisations

12 young people participated in ROAR

6 young people participated in YLAG

School	Total participants	Finalists
Kirkwall Grammar School	163	32
Stromness Academy	55	21
Westray Junior High	9	9
Stronsay Junior High	6	6
Sanday Junior High	15	15
Total	**248**	**83**

Strengthening Voice, Relationships and Influence

Strong communities depend on strong relationships. Across the year, Voluntary Action Orkney (VAO) reinforced the connections between organisations, communities, statutory partners and decision-makers, helping ensure that information, opportunities and ideas were shared more effectively across Orkney.

A significant organisational change was the creation of a dedicated Partnerships and Engagement Team, including increased communications capacity. This provided a stronger foundation for improving engagement with members and ensuring that the sector had access to timely information, opportunities and support.

Membership remains at the heart of VAO's role as Orkney's Third Sector Interface.

At the year end, VAO had 153 member organisations and 9 individual members, with a further 15 provisional members approved by the board in March 2026. This provided a strong foundation for continuing work to review and modernise VAO's membership offer, recognising that organisations have different needs depending on their size, stage of development and capacity.

Communications also underwent significant development. A redesigned website became the central hub for information, training, funding opportunities and volunteering, supported by the introduction of Mailchimp used to enhance newsletters and improve audience engagement. These changes have provided a more reliable, accessible and data-informed approach to communication, ensuring organisations and communities can find up-to-date information more easily.

- the website attracted 4,118 users across 9,246 sessions
- VAO content was displayed 133,700 times on Facebook
- 664 interactions were generated on Facebook

Improving accessibility was another important milestone. VAO introduced an Easy Read service, enabling organisations to present information in formats that are easier to understand for people with learning disabilities and others who benefit from accessible communication. Early commissions included Easy Read materials for Orkney Health and Care's Self-directed Support information, improving access to important services and leading to further commissioned work.

Beyond communications and membership development VAO continued to bring organisations together to address issues affecting communities. Through events, consultations and partnership activity, organisations were able to build relationships, exchange learning and contribute to discussions affecting communities across Orkney.

Supporting People Through Challenge and Change

Throughout Orkney, many people face challenges that cannot be addressed through a single service or simple solution. Poor mental wellbeing, isolation, caring responsibilities, disability, and limited access to support can combine to create significant barriers to participation and wellbeing.

Over the past year, VAO provided person-centred support through both the Connect project and the Community Link Practitioner service. While each service works with different groups of people, both share a common approach: building trusted relationships, understanding individual circumstances and helping people identify positive steps forward.

Supporting Young People Through Connect

This year, Connect supported young people facing increasingly complex challenges. Many of the young people engaging with the project were experiencing multiple barriers simultaneously, including poor mental health, autism, disability, social isolation, family pressures and difficulties engaging with education, training or employment.

Living in a rural and island community can create additional challenges for young people. Transport, distance and limited access to specialist services can make it harder to access support, build relationships and participate fully in community life.

In response, Connect provided flexible, relationship-based support tailored to the needs of each individual. Rather than expecting young people to fit within a predetermined programme, support was built around trust, safety and personal progression. For many participants, the most important first steps were developing confidence, building relationships and recognising their own strengths.

Volunteering played an important role within the project. Through opportunities such as intergenerational activities, community gardening and volunteering with local organisations, young people were able to contribute positively to their communities while developing communication skills and a sense of purpose.

The impact of this support can be seen in the progress made by many of the young people involved. During the year, participants moved into further education, entered employment and became more active within their communities. Others reduced feelings of isolation and built stronger social connections.

Alongside supporting individual young people, we marked an important stage in the future development of the project. Preparations began for Connect's transition from a VAO project to an independent charitable organisation. This transition reflects both the maturity of the project and a commitment to ensuring that support for young people can continue to develop and grow in response to local need.

<u>Connect stats</u>

30 young people aged 15 to 21 were supported

26 young people took part in the main Connect programme. A further 4 young adults who had previously moved on returned for support when they needed it.

Three young people moved into further education.

Two young people moved into full-time work, and two young people moved into part-time work.

Community Link Practitioner Service

The Community Link Practitioner service provides vital support to people whose health and wellbeing are affected by social, emotional and practical challenges.

Working alongside GP practices, Community Link Practitioners support people experiencing issues such as loneliness, bereavement, financial difficulties, housing concerns, caring responsibilities and poor mental wellbeing. Often, these are challenges that cannot be addressed through clinical interventions alone.

The service provides people with time, space and support to identify what matters most to them and explore practical solutions. This may involve connecting people with community groups, specialist services, financial support, advocacy organisations or opportunities to build social connections.

A key strength of the service is its preventative approach. By supporting people before difficulties escalate, Community Link Practitioners help individuals access support earlier, improve their wellbeing and feel more able to manage challenging circumstances.

The service also plays an important role deepening collaboration between primary care and the voluntary and community sector. Through close partnership working with local organisations, individuals are able to access a broader range of support that reflects the wider factors affecting their health and wellbeing.

Feedback from service users, families and partner organisations continues to demonstrate the value of this approach. People have described feeling listened to, supported and less alone, while families have valued the reassurance of knowing that someone is helping their loved one navigate complex situations and access appropriate support.

Building Confidence and Connections

Although Connect and the Community Link Practitioner service support different groups of people, both demonstrate the value of community-based, relationship-focused support. They have provided practical examples of how person-centred support can help people navigate challenges, realise their strengths and move forward with greater self-assurance.

Both services recognise that lasting change rarely happens overnight. Independence and wellbeing are often built through small steps, supported by trusted relationships over time.

By helping people overcome barriers, bolster social connections and access the support they need, these services contribute to healthier communities and improved wellbeing across Orkney.

Financial review

The charity had total incoming resources of £873,623 for the year compared to incoming resources of £817,297 reported in the previous year. Unrestricted funds at the balance sheet date stood at £186,937, including £34,984 of designated funds, which is broadly inline with our reserves policy below. Restricted funds totalled £71,623.

The Board are committed to build an adequate reserves account to allow for organisational contingencies and to demonstrate good financial management and has implemented a reserves policy.

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level at least equivalent to three month's operating expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities and meet ongoing contractual obligations to staff while consideration is given to ways in which additional funds may be raised.

The reserves policy will be reviewed every two years. All decisions on reserves will be made by the Board.

The charity's principal funding sources are the Scottish Government, Orkney Islands Council, Repsol-Resources UK Ltd, Children in Need, NHS Orkney, The Robertson Trust, Tudor Trust, and Esmee Fairbairn Foundation. This funding has allowed the charity to deliver core business and project services based on targets in the Workplan.

Reserves will be invested to secure a financial return for the charity and the amount will be determined and reviewed annually. The investment policy adopted will ensure that a proportion of the charity's reserves can be accessed at short notice. Investment risk will be assessed to ensure that sums deposited are spread across several institutions and are covered by the Government's Financial Services Compensation Scheme.

VAO is a risk aware organisation and during the year the Board operate a formal risk register. The register is regularly reviewed and actions taken and reported as appropriate.

Failure to obtain sufficient levels of funding to meet the charity's operational demands continues to be the main risk facing the charity. The charity applies for funding from a wide range of sources. In addition, the charity actively identifies and eliminates expenditure which is deemed unnecessary to reduce costs where possible.

Projects funded by restricted funds are monitored closely to ensure that expenditure does not exceed the restricted funding receivable. This ensures the charity maintains sufficient unrestricted reserves to continue to meet its day to day requirements.

All organisational aims and key priorities are detailed in the VAO Workplan 2023-26 and are responsive to the need of Orkney's third sector and communities. Activities meet charitable objects and the outcomes specified by Scottish Government and other funders. Progress is continuously monitored and reported through agreed monitoring and evaluation frameworks.

VAO will continue to provide, develop and establish responsive services for and with the third sector and the wider community, which encompass the breadth of voluntary sector delivery, volunteering and social enterprise.

Plans for future periods

Looking ahead, VAO will continue to focus on building support for Orkney's third sector during a period of ongoing change. The year ahead will include further work to support organisations with legislative, funding, volunteering and governance-related developments, while also improving how VAO uses data and insight to understand sector needs.

A key priority will be continuing to support groups and organisations with the implementation of PVG legislative changes. Following local queries about regulated roles and PVG requirements, Volunteer Scotland Disclosure Service has been invited to attend an online meeting with Community Association members. This will provide an opportunity for groups to ask questions directly, improve their understanding of the requirements, and feel more confident in deciding which roles require PVG membership.

Youth and volunteer development will also remain a focus. Plans are being developed for further Get Ready to Volunteer activity, including work with Kirkwall Grammar School and a future Open to All programme. VAO will also continue exploring its role in supporting Employer Supported Volunteering, alongside work to streamline volunteer matching processes. Within youth development, the Youth Local Action Group has generated a number of ideas for next year, including the potential for a residential visit to Shetland, while further work is being considered around intergenerational activity in Stromness.

Community Development activity will continue to support wider sector resilience and connection. This includes progressing the Digital Inclusion Alliance project, working with Firstport to develop a learning exchange and partner awareness session, contributing third sector insight to the Heritage Places of Focus programme, and planning the next Annual Halls Event.

Membership and relationship development will be another important area of work. The membership survey provides a stronger evidence base for understanding members' needs, priorities and expectations, and will help inform future service development. Continued work to improve Milo records, remove duplicate data and update the Community Directory will also help VAO better understand the reach and representativeness of its membership and identify any gaps in engagement.

Communications reporting will also be strengthened. The current data provides a useful baseline, but future reporting will be improved by tracking key website actions, using campaign tracking links, and linking communications activity more clearly to membership engagement, service development and sector support. This will help VAO evidence its role as a Central Source of Knowledge and better understand how people use VAO information in practice.

Overall, the year ahead provides an opportunity to build on the changes made during 2025–26, embedding new ways of working while continuing to support a strong, connected and informed voluntary and community sector in Orkney.

Structure, governance and management

The organisation is a company limited by guarantee and a registered Scottish charity managed by a volunteer board of directors/trustees. It is governed by its memorandum and articles.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Annal	(Resigned 14 August 2025)
F Coupewhite	
S Garson	(Appointed 6 November 2025)
H Green	(Appointed 20 April 2026)
N Kermode	(Appointed 5 January 2026)
K McKerrell	
W Neish	
G O'Brien	(Resigned 16 September 2025)
A Sharkey	
J Swain	(Resigned 26 June 2026)
J Temple	

The charity has two methods to recruit and appoint new directors. Directors are either appointed at the AGM (ie proposed and seconded) or through co-option at Board meetings at any other point during the year as required. Directors are appointed from a list of Board approved members ie named representatives of member organisations. No other body or person is entitled to appoint directors.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Chief Executive manages organisational and project staff and is directly accountable to the Board. Recommendations are put forward by the Chief Executive to inform Board decision making and where appropriate staff/volunteer views are sought. The Chief Executive has autonomy to make decisions in line with the position and as agreed by the Board. In addition, several sub groups with specific terms of reference have been established to support Board decision making: Finance and Audit, HR, Communications, Premises and Projects.

Policies and procedures are in place for inducting and training directors. All new directors are given an induction pack and meet with the Company Secretary/ Chief Executive. Director's interests forms are completed and details of their relevant knowledge and experience recorded. Training is provided to the board approximately twice a year and individual training needs met as required.

Certain of the directors are also directors of other charitable entities or funding bodies with whom the company had transactions during the year. Details of these transactions, which were conducted at arms' length, are provided in the notes to the accounts.

Funds held as custodian trustee
The charity holds funds on behalf of several third parties. The third parties are responsible for approving grant applications and instructing the charity to process payments from funds held by the charity on their behalf.

The details of these bodies and the movements on funds held by the charity as custodian trustee are as follows:

ROAR

During the year, the charity received funds of £2,285 (2025- £2,278) from ROAR and paid out £2,285 (2025- £2,278) to their chosen donors. At the balance sheet date, the charity holds funds of £nil (2025- £nil) for ROAR.

Canine Concern Scotland Trust

During the year, the charity received and paid funds of £325 (2025- £nil) to Canine Concern Scotland Trust. At the balance sheet date, the charity holds funds of £nil (2025- £nil) for Canine Concern Scotland Trust.

Orkney Islands Council Orkney Money Matters Project (OIC)

During the year, the charity received funds of £nil (2025- £nil) from OIC, and paid out £nil (2025- £11,649) on behalf of OIC. At the balance sheet date, the charity holds funds of £nil (2025- £nil) on behalf of OIC.

Auditor
In accordance with the company's articles, a resolution proposing that A.J.B. Scholes Ltd be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
Each of the trustees 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 auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

[redacted]

Trustee

Date: 19 August 2026

VOLUNTARY ACTION ORKNEY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The directors, who also act as trustees for the charitable activities of Voluntary Action Orkney, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

VOLUNTARY ACTION ORKNEY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF VOLUNTARY ACTION ORKNEY

Opinion

We have audited the financial statements of Voluntary Action Orkney (the 'charitable company') for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 2026 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 28 to the accounts, 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 and proper 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF VOLUNTARY ACTION ORKNEY

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, and control environment;
- results of our enquiries of management;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and irregularities. Income recognition was a key area of focus. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as the UK Companies Act 2006, tax legislation, and relevant charities acts.

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 may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These include laws and regulations pertaining to: the protection of vulnerable individuals; and employment.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF VOLUNTARY ACTION ORKNEY

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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 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 .

[redacted]

Ryan Allan (Senior Statutory Auditor)
For and on behalf of A.J.B. Scholes Ltd, Statutory Auditor
Chartered Accountants
8 Albert Street
Kirkwall
Orkney
KW15 1HP
Date: 27/08/2026

VOLUNTARY ACTION ORKNEY

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds 2026	Restricted funds 2026	Total 2026	Unrestricted funds 2025	Restricted funds 2025 as restated	Total 2025
		£	£	£	£	£	£
Income from:							
Donations and legacies	4	265,280	413,539	678,819	265,639	354,816	620,455
Charitable activities	5	-	106,045	106,045	-	89,534	89,534
Other trading activities	6	42,255	-	42,255	40,370	-	40,370
Investments	7	46,504	-	46,504	66,938	-	66,938
Total income		354,039	519,584	873,623	372,947	444,350	817,297
Expenditure on:							
Raising funds	8	37,368	-	37,368	40,118	-	40,118
Charitable activities	9	389,067	585,834	974,901	338,555	824,594	1,163,149
Other	11	56	-	56	-	-	-
Total resources expended		426,491	585,834	1,012,325	378,673	824,594	1,203,267
Net outgoing resources before transfers		(72,452)	(66,250)	(138,702)	(5,726)	(380,244)	(385,970)
Gross transfers between funds		253	(253)	-	(3,361)	3,361	-
Net expenditure for the year/ Net movement in funds		(72,199)	(66,503)	(138,702)	(9,087)	(376,883)	(385,970)
Fund balances at 1 April 2025		259,136	138,126	397,262	268,223	515,009	783,232
Fund balances at 31 March 2026		186,937	71,623	258,560	259,136	138,126	397,262

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

VOLUNTARY ACTION ORKNEY

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Intangible assets	**15**		10,612		13,412
Tangible assets	**16**		2,674		3,396
			13,286		16,808
Current assets					
Stocks	**17**	500		500	
Debtors	**18**	8,323		54,273	
Cash at bank and in hand		291,366		437,088	
		300,189		491,861	
Creditors: amounts falling due within one year	**19**	(54,915)		(111,407)	
Net current assets			245,274		380,454
Total assets less current liabilities			258,560		397,262
Income funds					
Restricted funds	**22**		71,623		138,126
<u>Unrestricted funds</u>					
Designated funds	**23**	34,984		44,296	
General unrestricted funds		151,953		214,840	
			186,937		259,136
			258,560		397,262

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 19 August 2026

[redacted]

Director

Company Registration No. SC143208

VOLUNTARY ACTION ORKNEY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash absorbed by operations	26		(192,151)		(182,567)
Investing activities					
Purchase of intangible assets		(75)		(7,800)	
Investment income received		46,504		66,938	
Net cash generated from investing activities			46,429		59,138
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(145,722)		(123,429)
Cash and cash equivalents at beginning of year			437,088		560,517
Cash and cash equivalents at end of year			291,366		437,088

1 Accounting policies

Charity information

Voluntary Action Orkney is a private company limited by guarantee incorporated in Scotland. The registered office is Anchor Buildings, 6 Bridge Street, Kirkwall, Orkney, KW15 1HR.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by volunteers has not been included.

Grant income is recognised in the same manner as donation and legacy income unless the grant is subject to the satisfaction of performance related terms and conditions. The recognition of performance related grant income is deferred until the charity has met the terms and conditions attached to the grant, or the conditions are within the charity's control and satisfaction of those conditions is probable.

Incoming resources from services and from the sale of goods are included when receivable.

Investment income, including interest and rent receivable, is recognised when receivable by the charity.

1 Accounting policies **(Continued)**

1.5 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The charity is VAT registered and all expenditure is shown exclusive of VAT, where applicable.

Expenditure on raising funds comprise the costs associated with attracting voluntary income and the costs of fundraising events.

Expenditure on charitable activities comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	20% straight line basis

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	Over lease term
Fixtures, fittings & equipment	50% straight line basis (computer equipment); 20% reducing balance/ straight line basis (other assets)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year.

Recognised impairment losses are reversed if the reasons for the impairment loss have ceased to apply.

1.9 Stocks

Stocks represent stationery and other consumable items held for use by the charity, at the balance sheet date.

1 Accounting policies **(Continued)**

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.11 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Capitalisation of fixed assets

Expenditure on fixed assets held for ongoing use by the charity is capitalised and depreciated over the life of the asset, in accordance with the accounting policy described above.

1.15 Grants payable

The charity is responsible for making grant payments to certain individuals and institutions. These payments are made from funds provided by third parties for distribution by the charity. The charity is responsible for approving the applications of claimants in line with the conditions laid out by the fund provider.

2 Change in accounting policy

A change in accounting policy has been adopted in these financial statements to better reflect the nature and substance of two restricted grants awarded to Voluntary Action Orkney. These are grants, previously recognised within Donations and Legacies, are now included within Charitable Activities, as performance related grants.

This has resulted in £106,045 (2025: £89,534) of income being restated. Total income and closing fund balances remain unchanged.

3 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2026	2026	2026	2025	2025	2025
	£	£	£	£	£	£
Donations and gifts	277	428	705	1,000	428	1,428
Grants receivable for core activities	263,098	413,111	676,209	262,697	354,388	617,085
Membership fees	1,905	-	1,905	1,942	-	1,942
	265,280	413,539	678,819	265,639	354,816	620,455

Grants receivable for core activities						
Scottish Government	207,168	-	207,168	207,168	-	207,168
Orkney Islands Council - core	55,930	-	55,930	54,829	-	54,829
Roberston Trust - Connect Project	-	30,000	30,000	-	-	-
Scottish Government - Cash-First	-	76,151	76,151	-	105,919	105,919
Community Fund - Connect Project	-	-	-	-	20,000	20,000
Community Fund - Young People's Befriending Project	-	-	-	-	18,872	18,872
Orkney Islands Council - Counselling Centre	-	21,390	21,390	-	20,969	20,969
NEO Energy - Small Grants	-	7,000	7,000	-	7,000	7,000
Esmee Fairbairn Foundation - Island Wellbeing Project	-	80,000	80,000	-	-	-
BBC CIN - Connect Project	-	40,000	40,000	-	-	-
OIC - Crown Estate Community Led Development Fund	-	(919)	(919)	-	29,654	29,654

4 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2026	2026	2026	2025	2025	2025
	£	£	£	£	£	£
OIC - Supported Volunteering	-	-	-	-	50,000	50,000
Scottish Government - Mental Health & Wellbeing	-	94,940	94,940	-	82,852	82,852
Stirlingshire Voluntary Enterprise - Digital Inclusion	-	40,000	40,000	-	-	-
OIC - Multiply Funding	-	20,000	20,000	-	-	-
Scottish Government - CLLD	-	175	175	-	9,800	9,800
Social Investment Scotland - New Third Sector Hub	-	-	-	-	4,500	4,500
NHS - Confidence to Cook	-	-	-	-	2,000	2,000
OIC YLAG - Connect	-	-	-	-	2,072	2,072
Community Alcohol Partnerships - Connect	-	1,500	1,500	-	-	-
Mollie Lind Trust - Connect	-	-	-	-	500	500
RGU - Orkney Youth Awards	-	500	500	-	-	-
Social Investment Scotland - New Facilities	-	1,800	1,800	-	-	-
Other	-	574	574	700	250	950
	263,098	413,111	676,209	262,697	354,388	617,085

The above grants include £769 awarded but not yet received within debtors (2025: £34,350).

5 Charitable activities

	Contracted services 2026 £	Contracted services 2025 £
Performance related grants	106,045	89,534
Performance related grants		
NHS - Community Link	103,792	88,434
The Wood Foundation - YPI Orkney Delivery Support	2,253	1,100
	106,045	89,534

6 Other trading activities

	2026 £	2025 £
Other trading activities	42,255	40,370

7 Investments

	2026 £	2025 £
Rental income	43,083	63,208
Interest receivable	3,421	3,730
	46,504	66,938

8 Raising funds

	2026 £	2025 £
Fundraising and publicity		
Staff costs	37,368	40,118
	37,368	40,118

9 Charitable activities

	2026	2025
	£	£
Staff costs	552,361	519,911
Depreciation and impairment	3,541	4,914
Other costs	182,935	235,387
	738,837	760,212
Grant funding of activities (see note 10)	236,064	402,937
	974,901	1,163,149
Analysis by fund		
Unrestricted funds	389,067	338,555
Restricted funds	585,834	824,594
	974,901	1,163,149

Other costs include total governance costs of £9,950 (2025- £9,406), including payments to the auditor of £6,250 (2025- £6,000) for audit fees and £3,700 (2025- £3,406) for other services.

10 Grants payable

	2026	2025
	£	£
Grants to institutions:		
Island Wellbeing Fund	61,132	69,028
Multiply Funding	6,133	18,071
Small Grants Scheme	8,277	5,326
Mental Health & Wellbeing - Scottish Government	130,963	149,707
Orkney Money Matters: Cash First	17,675	100,419
Orkney Money Matters: Island Cost Crisis Fund	-	46,900
Orkney Counselling and Support Centre	11,884	12,796
Other	-	690
	236,064	402,937

10 Grants payable

(Continued)

Island Wellbeing Fund: grants paid to local island Development Trusts to fund the employment and overheads of island wellbeing coordinators, using funds awarded by The Tudor Trust and Esmee Fairbairn Foundation.

Multiply Funding: funding disbursed to assist with the provision of short numeracy courses.

Small Grant Scheme: VAO disburses small grants to local voluntary and charitable organisations using funds provided by Repsol Sinopec and other funders.

Mental Health & Wellbeing: grants paid to local initiatives that promote and develop good mental health and wellbeing.

Orkney Money Matters: Cash First: funding disbursed to other partners on the programme, focussed on improving urgent access to cash in a crisis.

Orkney Money Matters: Island Cost Crisis Fund: funding disbursed to other partners on the programme, to assist with the salaries and costs of Energy Support Workers and Money Matters Links Workers.

Orkney Counselling and Support Centre: funding disbursed to assist with the running of the centre.

11 Other

	2026	2025
	£	£
Net loss on disposal of tangible fixed assets	56	-

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

13 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
	20	21

Employment costs	2026	2025
	£	£
Wages and salaries	501,661	484,415
Social security costs	48,622	36,290
Other pension costs	39,446	39,324
	589,729	560,029

13 Employees

(Continued)

Redundancy and termination payments totalling £6,659 were made in the reporting period. Payments arose due to the termination of a service and were paid from the charity's unrestricted funds.

The total paid to key management personnel during the year was £46,235 (2025: £44,479).

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

14 Taxation

The company does not pay tax on its charitable activities.

15 Intangible fixed assets

	Website
	£
Cost	
At 1 April 2025	18,485
Additions - separately acquired	75
At 31 March 2026	18,560
Amortisation and impairment	
At 1 April 2025	5,073
Amortisation charged for the year	2,875
At 31 March 2026	7,948
Carrying amount	
At 31 March 2026	10,612
At 31 March 2025	13,412

16 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2025	75,473	57,215	132,688
Disposals	-	(1,024)	(1,024)
At 31 March 2026	75,473	56,191	131,664
Depreciation and impairment			
At 1 April 2025	75,473	53,819	129,292
Depreciation charged in the year	-	666	666
Eliminated in respect of disposals	-	(968)	(968)
At 31 March 2026	75,473	53,517	128,990
Carrying amount			
At 31 March 2026	-	2,674	2,674
At 31 March 2025	-	3,396	3,396

17 Stocks

	2026	2025
	£	£
Consumables	500	500

Stocks represent stationery stock held at the balance sheet date.

18 Debtors

Amounts falling due within one year:	2026	2025
	£	£
Trade debtors	1,680	2,634
Other debtors	769	40,461
Prepayments and accrued income	5,874	11,178
	8,323	54,273

19 Creditors: amounts falling due within one year

	2026	2025
	£	£
Other taxation and social security	13,542	15,464
Trade creditors	9,401	32,556
Other creditors	1,964	21,376
Accruals	30,008	42,011
	54,915	111,407

20 Retirement benefit schemes

Defined contribution schemes	2026	2025
	£	£
Charge to profit or loss in respect of defined contribution schemes	39,446	39,324

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

21 Share capital

The company is limited by guarantee and has no share capital. At the balance sheet date, the number of ordinary members was 162 (2025 - 162). In the event of the company being wound up, the liability of each member is limited to £1.

22 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				Movement in funds			
	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 1 April 2025	Incoming resources	Resources expended	Transfers	Balance at 31 March 2026
	£	£	£	£	£	£	£	£	£
Orkney Money Matters - OIC	541	-	(541)	-	-	-	-	-	-
Connect - Various	49,156	52,226	(49,637)	-	51,745	70,581	(120,719)	-	1,607
Counselling Centre - OIC	2,393	20,969	(24,047)	685	-	21,390	(21,390)	-	-
Multiply Funding - OIC	27,110	-	(27,110)	-	-	20,000	(20,000)	-	-
Adult Befriending Service - various	1,538	-	(308)	-	1,230	-	(246)	(984)	-
Neo Energy (formally Repsol Sinopec) and other small grants	8,347	7,428	(6,196)	-	9,579	7,428	(9,276)	731	8,462
Island Wellbeing project - various	154,993	10,050	(150,927)	-	14,116	80,000	(94,116)	-	-
Mental Health & Wellbeing - Scot Gov	82,090	82,852	(164,942)	-	-	94,939	(94,939)	-	-
Supported Volunteering - OIC	-	50,000	(3,507)	-	46,493	-	(25,159)	-	21,334
Stirlingshire Voluntary Enterprise - Digial Inclusion	-	-	-	-	-	40,000	-	-	40,000
Rural Communities Action - Inspiring Scotland	820	-	(820)	-	-	-	-	-	-
Cash First - Scot Gov	-	105,919	(105,919)	-	-	76,151	(76,151)	-	-
YP Befriending - Various	25,757	18,872	(46,983)	2,354	-	-	-	-	-
Remembering Together - Greenspace Scotland	78,927	-	(66,171)	-	12,756	-	(12,756)	-	-
Community Link project - NHS	14,086	88,434	(100,835)	-	1,685	103,792	(105,257)	-	220
YLAG - OIC	8,266	-	(8,588)	322	522	-	(522)	-	-
Aspiring Communities (Supporting Communities) - Scottish Government	11,568	-	(11,568)	-	-	-	-	-	-
Cost of Living Taskforce - various	46,900	-	(46,900)	-	-	-	-	-	-
Other funds	2,517	7,600	(9,595)	-	-	5,303	(5,303)	-	-
	515,009	444,350	(824,594)	3,361	138,126	519,584	(585,834)	(253)	71,623

22 Restricted funds

(Continued)

At the end of the reporting period, the charity held a number of funds for specific purposes, imposed by the funder. Notably, the following balances were held:

- Orkney Money Matters - represented a partnership project developed by local third-sector and statutory organisations (THAW, CAB, The Blide, the Foodbank and OIC). It aimed to reduce levels of financial insecurity in Orkney by increasing access to advice and cash for those experiencing or at risk of crisis.
- Connect - represents grant funding from Orkney Islands Council, BBC Children and Need, Robertson Trust and other organisations to provide one to one and group support to young people with activity agreements in order to develop and strengthen life and employability skills.
- Counselling Centre: grant funding from Orkney Islands Council to provide an efficiently run resource centre for Counselling and Support Centre sharing groups through provision of accommodation, an office administrator and volunteer receptionists.
- Multiply Funding - Funding provided by Orkney Islands Council to deliver community-based numeracy courses, support and training.
- Adult Befriending Service - grant funding from the Community Fund and Stafford Trust to the existing Adult Befriending Service, to develop, enhance and expand activities to meet current and future demand in order to help older people in Orkney maintain their independence and remain living in their homes.
- Neo Energy (formally Repsol Sinopec) and other small grants: funding which the VAO Board disburses in small grants to local voluntary and charitable organisations.
- Island Wellbeing Project - funding provided by Tudor Trust, Esmee Fairbairn Foundation and Integration Joint Board (IJB), which aims to improve the health, economic and social wellbeing of residents across Orkney's ferry-linked isles.
- Mental Health & Wellbeing: funding provided by Scottish Government, to fund local initiatives that promote and develop good mental health and wellbeing.
- Supported volunteering - OIC: funding to deliver a bespoke Supported Volunteering service, for two years, to support individuals with a variety of needs.
- Stirlingshire Voluntary Enterprise - Digital Inclusion Alliance Local to National TSI Programme aims to reduce digital exclusion and strengthen local and national infrastructure.
- Rural Communities Action: funding provided by Inspiring Scotland, to develop a food dignity strategy.
- Cash First - OIC: funding received to assist in delivering a focussed on improving urgent access to cash in a crisis. VAO are the lead partner and responsible for disbursing funding to members.
- Children and Young People's Befriending Service - funding from Community Fund to the existing service to support young people across the county who are vulnerable or isolated for any number of reasons. Befriending is a special kind of intentional friendship between a young person and a trained volunteer, built on trust, mutual respect, shared interests and compatibility.
- Remembering together - Funding provided by Greenspace Scotland at the request of the Scottish Government for a national programme of remembrance across Scotland. This will result in a memorial project (artwork, garden, events, film, collaboration) in Orkney, co-created between artists and communities.
- Community Link Practitioner Service - funding awarded from NHS Orkney to establish a new service to work with three GP Practices to provide advice and support to patients on social issues and to support them to access specialist third and statutory services and community activities.
- YLAG - OIC: Community Led Local Development (CLLD) funding awarded via the Youth Local Action Group (YLAG).
- Aspiring Communities Community Engagement - funding awarded from Scottish Government to deliver a community engagement project, allowing those experiencing disadvantage and inequality to participate in the shaping of local plans.
- Cost of Living Task Force - funding awarded by the Scottish Government and OIC to help tackle the cost of living crisis by setting up a Cost of Living Task Force.
- Other funds includes funding received to cover professional costs in relation to construction of a new office; and to promote and deliver the Youth and Philanthropy Initiative.

22 Restricted funds

(Continued)

As noted above, transfers were made between restricted funds where the purpose of those funds are the same and therefore now disclosed as a single fund.

Transfers were made from restricted funds for spend on fixed assets which have no continuing restrictions on their use. Those transfers were made to unrestricted funds. Transfers were made from unrestricted funds to cover the deficit in certain restricted funds.

23 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

		Movement in funds				Movement in funds			
	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 1 April 2025	Incoming resources	Resources expended	Transfers	Balance at 31 March 2026
	£	£	£	£	£	£	£	£	£
New facilities	46,822	400	(2,926)	-	44,296	19	(7,847)	(1,484)	34,984
Kirkwall Travel Centre	-	25,148	(31,090)	5,942	-	9,835	(10,559)	724	-
	46,822	25,548	(34,016)	5,942	44,296	9,854	(18,406)	(760)	34,984

- Income received from tenants of the Kirkwall Travel Centre was designated for the payment of premises costs incurred by the charity in letting the property. A transfer was made from unrestricted funds to cover overspend in the fund.
- Reserves are designated by the board to cover anticipated costs associated with the development of new facilities. At the year end, these developments are still ongoing.

24 Analysis of net assets between funds

	Unrestricted funds 2026	Restricted funds 2026	Total 2026	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£	£	£	£
Fund balances at 31 March 2026 are represented by:						
Intangible fixed assets	10,612	-	10,612	13,412	-	13,412
Tangible assets	2,674	-	2,674	2,166	1,230	3,396
Current assets/(liabilities)	173,651	71,623	245,274	243,558	136,896	380,454
	186,937	71,623	258,560	259,136	138,126	397,262

25 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2026	2025
	£	£
Within one year	8,872	16,972

At the reporting end date the total future minimum sublease payments expected to be received under non-cancellable subleases was £5,216 (2025: £22,442).

26 Cash absorbed by operations	**2026**	**2025**
	£	£
Deficit for the year	(138,702)	(385,970)
Adjustments for:		
Investment income recognised in statement of financial activities	(46,504)	(66,938)
Loss on disposal of tangible fixed assets	56	-
Depreciation and impairment of tangible fixed assets	3,541	4,914
Movements in working capital:		
Decrease in debtors	45,950	245,560
(Decrease)/increase in creditors	(56,492)	19,867
Cash absorbed by operations	(192,151)	(182,567)

27 Funds held as custodian

The charity holds funds on behalf of several third parties. The third parties are responsible for approving grant applications and instructing the charity to process payments from funds held by the charity on their behalf.

The details of these bodies and the movements on funds held by the charity as custodian trustee are as follows:

ROAR
During the year, the charity received funds of £2,285 (2025- £2,278) from ROAR and paid out £2,285 (2025- £2,278) to their chosen donors. At the balance sheet date, the charity holds funds of £nil (2025- £nil) for ROAR.

Canine Concern Scotland Trust
During the year, the charity received and paid funds of £325 (2025- £nil) to Canine Concern Scotland Trust. At the balance sheet date, the charity holds funds of £nil (2025- £nil) for Canine Concern Scotland Trust.

Orkney Islands Council Orkney Money Matters Project (OIC)
During the year, the charity received funds of £nil (2025- £nil) from OIC, and paid out £nil (2025- £11,649) on behalf of OIC. At the balance sheet date, the charity holds funds of £nil (2025- £nil) on behalf of OIC.

Funds administered by the charity in its role as custodian are not recognised in the charity's statement of financial activities or balance sheet.

28 Non-audit services provided by auditor

In common with many entities of our size and nature we use our auditor to assist with the preparation of the financial statements.