

Charity registration number SC010691 (Scotland)

Company registration number SC143208 (Scotland)

VOLUNTARY ACTION ORKNEY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

VOLUNTARY ACTION ORKNEY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Annal F Couperwhite K McKerrell W Neish G O'Brien A Sharkey J Swain J Temple	(Appointed 29 July 2024) (Appointed 16 June 2024)
----------	---	--

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	
---------	-------------------------

VOLUNTARY ACTION ORKNEY

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 29

VOLUNTARY ACTION ORKNEY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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.

The Small Grants Scheme of up to £500 is supported by Repsol Resources UK Ltd and Liam McArthur MSP, were awarded to 14 projects this year.

Achievements and performance

Voluntary Action Orkney (VAO) continues to deliver services which are responsive to the needs of Orkney's third sector and communities. During the year 2024-25, VAO made significant progress across all four of its strategic aims:

Building Capacity

VAO delivered 234 support sessions to 186 organisations. Services included funding advice, governance training, bookkeeping, and payroll support for 80 organisations.

Case Studies:

- Multiply Training: 74 participants trained in finance and compliance
- YLAG: Young people awarded over £24,000 in grants
- Island Games: 1,200+ volunteers supported with guidance, tools, and welfare resources
- Mental Health Fund: £74,900 distributed to 22 projects

VOLUNTARY ACTION ORKNEY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2025**

Central Source of Knowledge:

- VAO responded to 162 strategic intelligence requests. Topics ranged from mental health mapping to service directories. Our new website, launched in February 2025, had over 31,000 users and houses a 1,000+ group community directory.

Connect:

- We convened networks and strengthened partnerships through:
- Youth Workers Forum and Island Wellbeing Project
- Community Link Practitioner Service (178 clients, 183 services)
- Employability work via OLEP
- Youth Philanthropy Initiative (230 pupils engaged)

Communications Reach:

- 11 newsletters, 12 training updates
- 17,530 Facebook reach, 1818 followers

Voice:

We championed third sector involvement in decision-making through:

- Community Planning and Integration Joint Board representation
- Leading the Third Sector Working Group
- Input into rural and inclusive policy via TSI Scotland Network

Case Study: Orkney Money Matters VAO co-led this anti-poverty partnership, developing a shared Memorandum of Understanding and supporting Cash First projects.

Financial review

The charity had total incoming resources of £817,297 for the year compared to incoming resources of £945,513 reported in the previous year. Unrestricted funds at the balance sheet date stood at £259,136, including £44,426 of designated funds, which is broadly in line with our reserves policy below. Restricted funds totalled £138,126.

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, The National Lottery Community Fund, Repsol-Resources UK Ltd, Children in Need, NHS Orkney, The Robertson Trust, Tudor Trust, and Esmée 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.

VOLUNTARY ACTION ORKNEY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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

The organisation also will continue to play a key role in The Orkney Partnership, the Integration Joint Board (Orkney Health and Care) and other partnerships and work with the third sector to enhance their engagement, involvement and influence.

Progress towards a new building was delayed by the pandemic and planning issues but VAO will continue to source appropriate premises.

VAO will work to sustain and develop the organisation, services and projects and is committed to continuous improvement.

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

F Couperwhite

(Appointed 29 July 2024)

K McKerrall

(Appointed 16 June 2024)

W Neish

G O'Brien

A Sharkey

J Swain

J Temple

P White

(Appointed 10 May 2024 and resigned 11 November 2024)

S Williams

(Resigned 24 June 2024)

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.

VOLUNTARY ACTION ORKNEY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 £2,278 (2024- £2,098) from ROAR and paid out £2,278 (2024- £2,283) to their chosen donors. At the balance sheet date, the charity holds funds of £nil (2024: £nil) for ROAR.

Orkney Islands Council Orkney Money Matters Project (OIC)

During the year, the charity received funds of £nil (2024- £200,000) from OIC, and paid out £11,649 (2024- £272,110) on behalf of OIC. At the balance sheet date, the charity holds funds of £nil (2024- £11,649) 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.


Trustee

14 August 2025

VOLUNTARY ACTION ORKNEY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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 2025 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 2025 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 25 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.

VOLUNTARY ACTION ORKNEY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF VOLUNTARY ACTION ORKNEY

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 2006the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- 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.

VOLUNTARY ACTION ORKNEY

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.

VOLUNTARY ACTION ORKNEY

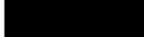
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 .



 (Senior Statutory Auditor)

For and on behalf of A.J.B. Scholes Ltd, Statutory Auditor

Chartered Accountants

8 Albert Street

Kirkwall

Orkney

KW15 1HP

14 August 2025

VOLUNTARY ACTION ORKNEY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Unrestricted funds 2025 £	Restricted funds 2024 £	Total 2024 £
Income from:						
Donations and legacies	3	265,639	444,350	709,989	262,987	833,222
Other trading activities	4	40,370	-	40,370	42,659	42,659
Investments	5	66,938	-	66,938	69,632	69,632
Total income		372,947	444,350	817,297	570,235	945,513
Expenditure on:						
Raising funds	6	40,118	-	40,118	34,188	34,188
Charitable activities	7	338,555	824,594	1,163,149	571,208	928,668
Total resources expended		378,673	824,594	1,203,267	571,208	962,856
Net outgoing resources before transfers		(5,726)	(380,244)	(385,970)	(973)	(17,343)
Gross transfers between funds		(3,361)	3,361	-	(6,659)	-
Net expenditure for the year/ Net movement in funds		(9,087)	(376,883)	(385,970)	(7,632)	(17,343)
Fund balances at 1 April 2024		268,223	515,009	783,232	522,641	800,575
Fund balances at 31 March 2025		259,136	138,126	397,262	515,009	783,232

The statement of financial activities includes all gains and losses recognised in the year.

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 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Intangible assets	12		13,412		7,337
Tangible assets	13		3,396		6,586
			<u>16,808</u>		<u>13,923</u>
Current assets					
Stocks	14	500		500	
Debtors	15	54,273		299,832	
Cash at bank and in hand		437,088		560,517	
		<u>491,861</u>		<u>860,849</u>	
Creditors: amounts falling due within one year	16	<u>(111,407)</u>		<u>(91,540)</u>	
Net current assets			<u>380,454</u>		<u>769,309</u>
Total assets less current liabilities			<u><u>397,262</u></u>		<u><u>783,232</u></u>
Income funds					
Restricted funds	19		138,126		515,009
<u>Unrestricted funds</u>					
Designated funds	20	44,296		46,822	
General unrestricted funds		<u>214,840</u>		<u>221,401</u>	
			<u>259,136</u>		<u>268,223</u>
			<u><u>397,262</u></u>		<u><u>783,232</u></u>

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 14 August 2025

Director

Company Registration No. SC143208

VOLUNTARY ACTION ORKNEY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(182,567)		(3,758)
Investing activities					
Purchase of intangible assets		(7,800)		-	
Purchase of tangible fixed assets		-		(6,166)	
Investment income received		66,938		69,632	
Net cash generated from investing activities			59,138		63,466
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(123,429)		59,708
Cash and cash equivalents at beginning of year			560,517		500,809
Cash and cash equivalents at end of year			437,088		560,517

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 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.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2025**

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024
	£	£	£	£	£
Donations and gifts	1,000	428	1,428	1,178	1,607
Grants receivable for core activities	262,697	443,922	706,619	569,057	829,807
Membership fees	1,942	-	1,942	-	1,808
	<u>265,639</u>	<u>444,350</u>	<u>709,989</u>	<u>570,235</u>	<u>833,222</u>

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies	(Continued)				
Grants receivable for core activities					
Scottish Government	207,168	-	207,168	-	207,168
Orkney Islands Council - core	54,829	-	53,232	-	53,232
Roberston Trust - Connect Project	-	-	-	2,500	2,500
Scottish Government - Cash-First	-	105,919	105,919	-	-
Community Fund - Connect Project	-	20,000	20,000	-	-
Community Fund - Young People's Befriending Project	-	18,872	18,872	1,073	1,073
Orkney Islands Council - Counselling Centre	-	20,969	20,969	20,358	20,358
Repsol Sinopec - Small Grants	-	7,000	7,000	7,000	7,000
Greenspace Scotland - Remembering Together	-	-	-	102,332	102,332
Hugh Fraser Foundation - Young People's Befriending Project	-	-	-	4,000	4,000
NHS - Community Link	-	88,434	88,434	91,826	91,826
OIC - Crown Estate Community Led Development Fund	-	29,654	29,654	-	-
OIC - Supported Volunteering	-	50,000	50,000	-	-
Scottish Government - Mental Health & Wellbeing	-	82,852	82,852	82,090	82,090
OIC - Cost of Living Taskforce	-	-	-	46,900	46,900
OIC - Orkney Money Matters	-	-	-	89,544	89,544
IJB - Island Wellbeing Project	-	-	-	63,589	63,589
OIC - Multiply Funding	-	-	-	30,000	30,000
Scottish Government - CLLD	-	9,800	9,800	8,700	8,700

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3	Donations and legacies					(Continued)
	Social Investment Scotland - New Third Sector Hub	-	4,500	-	-	-
	NHS - Confidence to Cook	-	2,000	-	-	-
	OIC YLAG - Connect	-	2,072	-	-	-
	OIC YLAG - Core	-	-	-	9,980	9,980
	The Wood Foundation - YPI Orkney Delivery Support	-	1,100	-	880	880
	The Health and Social Care Alliance Scotland - Self Management	-	-	-	(3,199)	(3,199)
	Mollie Lind Trust - Connect	-	500	-	-	-
	Mind-On - Connect	-	-	-	2,000	2,000
	RGU - Orkney Youth Awards	-	-	350	-	350
	OIC - Third Sector Cost of Living Crisis Fund	-	-	-	8,469	8,469
	DWP - Access to Work	-	-	-	1,015	1,015
	Other	700	250	950	-	-
		<u>262,697</u>	<u>443,922</u>	<u>706,619</u>	<u>260,750</u>	<u>569,057</u>
						<u>829,807</u>

The above grants include £34,350 awarded but not yet received within debtors (2024: £262,062).

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

4 Other trading activities

	2025 £	2024 £
Other trading activities	40,370	42,659

5 Investments

	2025 £	2024 £
Rental income	63,208	66,533
Interest receivable	3,730	3,099
	66,938	69,632

6 Raising funds

	2025 £	2024 £
<u>Fundraising and publicity</u>		
Staff costs	40,118	34,188
	40,118	34,188

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Charitable activities

	2025 £	2024 £
Staff costs	519,911	562,116
Depreciation and impairment	4,914	5,404
Other costs	235,387	296,899
	<u>760,212</u>	<u>864,419</u>
Grant funding of activities (see note 8)	402,937	64,249
	<u>1,163,149</u>	<u>928,668</u>
Analysis by fund		
Unrestricted funds	338,555	357,460
Restricted funds	824,594	571,208
	<u>1,163,149</u>	<u>928,668</u>

Other costs include total governance costs of £9,406 (2024- £9,190), including payments to the auditor of £6,000 (2024- £5,500) for audit fees and £3,406 (2024- £3,690) for other services.

8 Grants payable

	2025 £	2024 £
Grants to institutions:		
Island Wellbeing Fund	69,028	55,329
Multiply Funding	18,071	-
Small Grants Scheme	5,326	8,920
Mental Health & Wellbeing - Scottish Government	149,707	-
Orkney Money Matters: Cash First	100,419	-
Orkney Money Matters: Island Cost Crisis Fund	46,900	-
Orkney Counselling and Support Centre	12,796	-
Other	690	-
	<u>402,937</u>	<u>64,249</u>

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 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.

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	21	24
	<u>21</u>	<u>24</u>
Employment costs	2025 £	2024 £
Wages and salaries	484,415	517,702
Social security costs	36,290	37,158
Other pension costs	39,324	41,444
	<u>560,029</u>	<u>596,304</u>

The total paid to key management personnel during the year was £44,479 (2024: £42,428).

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

11 Taxation

The company does not pay tax on its charitable activities.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Intangible fixed assets

	Website £
Cost	
At 1 April 2024	10,685
Additions - separately acquired	7,800
At 31 March 2025	18,485
Amortisation and impairment	
At 1 April 2024	3,348
Amortisation charged for the year	1,725
At 31 March 2025	5,073
Carrying amount	
At 31 March 2025	13,412
At 31 March 2024	7,337

13 Tangible fixed assets

	Leasehold property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2024	75,473	57,215	132,688
At 31 March 2025	75,473	57,215	132,688
Depreciation and impairment			
At 1 April 2024	75,473	50,629	126,102
Depreciation charged in the year	-	3,190	3,190
At 31 March 2025	75,473	53,819	129,292
Carrying amount			
At 31 March 2025	-	3,396	3,396
At 31 March 2024	-	6,586	6,586

14 Stocks

	2025 £	2024 £
Consumables	500	500

Stocks represent stationery stock held at the balance sheet date.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	2,634	16,167
Other debtors	40,461	275,865
Prepayments and accrued income	11,178	7,800
	<u>54,273</u>	<u>299,832</u>

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	15,464	9,773
Trade creditors	32,556	30,475
Other creditors	21,376	637
Accruals	42,011	50,655
	<u>111,407</u>	<u>91,540</u>

17 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>39,324</u>	<u>41,444</u>

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.

18 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 (2024 - 148). In the event of the company being wound up, the liability of each member is limited to £1.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 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:

	Balance at 1 April 2023 £	Movement in funds			Balance at 1 April 2024 £	Movement in funds			Transfers £	Balance at 31 March 2025 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Orkney Money Matters - OIC	-	89,544	(89,003)	-	541	-	(541)	-	-	-
Connect - Various	106,826	5,250	(63,831)	911	49,156	52,226	(49,637)	-	-	51,745
Counselling Centre - OIC	3,183	20,358	(21,148)	-	2,393	20,969	(24,047)	685	-	-
Multiply Funding - OIC	-	30,000	(2,890)	-	27,110	-	(27,110)	-	-	-
Adult Befriending Service - various	49,565	1,015	(48,131)	(911)	1,538	-	(308)	-	-	1,230
Repsol Sinopec and other small grants	10,839	7,428	(9,920)	-	8,347	7,428	(6,196)	-	-	9,579
Island Wellbeing project - various	227,927	63,589	(136,523)	-	154,993	10,050	(150,927)	-	-	14,116
Mental Health & Wellbeing - Scot Gov	-	82,090	-	-	82,090	82,852	(164,942)	-	-	-
Supported Volunteering - OIC	-	-	-	-	-	50,000	(3,507)	-	-	46,493
Tech Peer Mentor - OIC	12,838	-	(6,179)	(6,659)	-	-	-	-	-	-
Rural Communities Action - Inspiring Scotland	820	-	-	-	820	-	(820)	-	-	-
Self Management - Health & Social Care Alliance	21,340	(3,199)	(18,141)	-	-	105,919	(105,919)	-	-	-
Cash First - Scot Gov	-	-	-	-	-	18,872	(46,983)	2,354	-	-
YP Befriending - Various	61,426	5,073	(40,742)	-	25,757	-	-	-	-	-
Remembering Together - Greenspace Scotland	-	102,332	(23,405)	-	78,927	-	(66,171)	-	-	12,756
Community Link project - NHS	10,728	91,826	(88,468)	-	14,086	88,434	(100,835)	-	-	1,685
YLAG - OIC	-	9,980	(1,714)	-	8,266	-	(8,588)	322	-	-
Aspiring Communities (Supporting Communities) - Scottish Government	11,568	-	-	-	11,568	-	(11,568)	-	-	-
Cost of Living Taskforce - various	2,263	46,900	(2,263)	-	46,900	-	(46,900)	-	-	-
Other funds	3,318	18,049	(18,850)	-	2,517	7,600	(9,595)	-	-	522
	522,641	570,235	(571,208)	(6,659)	515,009	444,350	(824,594)	3,361		138,126

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 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 - represents a partnership project developed by local third-sector and statutory organisations (THAW, CAB, The Blide, the Foodbank and OIC). It aims 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.
- 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, Esmée 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.
- Tech Peer Mentor - OIC funding provided to explore and establish innovative uses of technology in the delivery of care.
- Rural Communities Action: funding provided by Inspiring Scotland, to develop a food dignity strategy.
- Self Management - Health & Social Care Alliance funding which aims to help those with long-term physical conditions in Orkney's ferry linked isles.
- 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, Chance to Connect and STV to the existing service (previously funded by Community Fund and Lloyds TSB) 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 Workers- funding awarded from NHS Orkney to establish a new service to work with two 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 include: funding received to cover professional costs in relation to construction of a new office; to assist with the provision of cooking classes; and to promote and deliver the Youth and Philanthropy Initiative.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 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.

20 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.

	Balance at 1 April 2023 £	Movement in funds			Balance at 1 April 2024 £	Movement in funds			Transfers £	Balance at 31 March 2025 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
New facilities	48,918	-	(2,096)	-	46,822	400	(2,926)	-	-	44,296
Kirkwall Travel Centre	-	22,718	(31,183)	8,465	-	25,148	(31,090)	5,942	5,942	-
	48,918	22,718	(33,279)	8,465	46,822	25,548	(34,016)	5,942	5,942	44,296

- 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.

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 March 2025 are represented by:						
Intangible fixed assets	13,412	-	13,412	7,337	-	7,337
Tangible assets	2,166	1,230	3,396	4,507	2,079	6,586
Current assets/(liabilities)	243,558	136,896	380,454	256,379	512,930	769,309
	<u>259,136</u>	<u>138,126</u>	<u>397,262</u>	<u>268,223</u>	<u>515,009</u>	<u>783,232</u>

22 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:

	2025 £	2024 £
Within one year	<u>16,972</u>	<u>48,939</u>

At the reporting end date the total future minimum sublease payments expected to be received under non-cancellable subleases was £22,442 (2024: £31,943).

23 Cash generated from operations

	2025 £	2024 £
Deficit for the year	(385,970)	(17,343)
Adjustments for:		
Investment income recognised in statement of financial activities	(66,938)	(69,632)
Depreciation and amortisation of fixed assets	4,914	5,404
Movements in working capital:		
Decrease in debtors	245,560	88,146
Increase/(decrease) in creditors	19,867	(10,333)
Cash absorbed by operations	<u>(182,567)</u>	<u>(3,758)</u>

VOLUNTARY ACTION ORKNEY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2025**

24 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 £2,278 (2024- £2,098) from ROAR and paid out £2,278 (2024- £2,283) to their chosen donors. At the balance sheet date, the charity holds funds of £nil (2024- £nil) for ROAR.

Orkney Islands Council Orkney Money Matters Project (OIC)

During the year, the charity received funds of £nil (2024- £200,000) from OIC, and paid out £11,649 (2024- £272,110) on behalf of OIC. At the balance sheet date, the charity holds funds of £nil (2024- £11,649) 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.

25 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.

