

Registered Company Number: SC203613
Scottish Charity Number: SC028457

FIFE VOLUNTARY ACTION (a company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**



FIFE VOLUNTARY ACTION
(a company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS	PAGE
Directors' Report	2 - 8
Independent Auditor's Report to the Members and Directors	9 – 10
Income and Expenditure Account and Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 - 26

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

Directors/Committee of Management

Mr Robert Bell	(resigned 31 March 2015)
Ms Frances McAulay	(resigned 12 August 2014)
Mrs Rhona Cunningham	
Mr Robert Garmory	
Mr Robert Lumsden (Chair)	
Mr Daniel Rous	(resigned 4 February 2014)
Mrs Elizabeth Porter (Treasurer)	
Mr Andrew McDaniel (Vice Chair)	(appointed 20 May 2014)
Ms Tina Vandermotten	(appointed 4 August 2015)

Secretary

Mr Andrew Penman	(resigned 1 March 2015)
------------------	-------------------------

Chief Executive Officer

Mr Kenny Murphy

Registered Office and Principal Address

Craig Mitchell House
Flemington Road
Glenrothes
Fife
KY7 5QF

Bankers

The Royal Bank of Scotland plc
23-25 Rossllyn Street
Kirkcaldy
KY1 3HA

Independent Auditor

Thomson Cooper
Accountants
3 Castle Court
Dunfermline
Fife
KY11 8PB

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The Directors have pleasure in presenting their report and the financial statements for the year ended 31 March 2015 in accordance with their statutory requirements and governing document.

Directors

The Directors of the company are also charity Trustees for the purposes of the charity law, and there are no other trustees. Throughout this report they are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

The Directors would like to record their thanks to those Directors who resigned during the year.

Structure, governance and management

Governing document

Fife Voluntary Action is a Scottish company, limited by guarantee, incorporated on 4 February 2000 and is a registered Scottish charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Fife Voluntary Action's name was formally adopted on 8 March 2013 and so this has been our second full year as a single organisation operating under the new name and Articles. Fife Voluntary Action is the third sector interface for the Fife Council area.

Directors will review the governing document at their first meeting after the 2015 AGM, with a commitment to reviewing it annually thereafter.

Constitution and objectives

The company's objects are to advance citizenship and community development throughout Fife by assisting voluntary, charitable, social enterprise and community organisations (third sector) and volunteers to thrive and develop. This includes the provision of services which will strengthen the contribution of the third sector and volunteers to the economic, social and cultural development of communities. In furtherance of these objectives we aim to advance health and prevent poverty by supporting third sector organisations to deliver high quality services and activities to vulnerable groups and to advance education through the provision of appropriate training to third sector organisations and volunteers.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The key themes are:

1. Provide support to voluntary organisation operating in the area (both local and national organisations) who deliver services within Fife;
2. Provide support to and the promotion of volunteering;
3. Promote, support and develop social enterprise; and
4. Provide a connection between the Community Planning partnership and the third sector in Fife.

Trustee induction and training

In line with partnership discussions in advance of the mergers, four Directors were retained from the CVS Fife Board and an independent recruitment panel was selected to recruit new Board members from an open application process. This was successful and gave the organisation a new Board at the start of 2012/13. The recruitment pack contained background information, roles and responsibilities of Trustees/Directors and a description of the role of Board member.

In September 2013 the Directors reviewed and agreed a Director Recruitment process which included refreshing the recruitment pack, ensuring a skills focus and a clear process for how the Directors will be selected and appointed. The process involves the completion of an application form, interview and recommendation to the Board. The interview will be conducted by the CEO and at least one existing Board member. An induction checklist was developed in October 2013 to ensure a structured approach when a new Board member is appointed. The CEO and Chairperson are responsible for ensuring induction is carried out.

The organisation's work plan contains specific actions to review Board performance to have development plans in place for Directors and to recruit new Board members to fill any identified gaps. The board recruited a new director in August 2015 with specialist HR expertise as part of this commitment.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

Risk management

The Directors have recently developed a new risk management procedure and risk matrix. This supports the assessment of the major risks to which the organisation is exposed, particularly those risks relating to financial management. It is reviewed at least three times each year by the Board with support from the Chief Executive Officer.

Organisational structure

The Directors are responsible for the overall governance of the charity and receive reports from a Finance Sub Committee chaired by the Treasurer, a Human Resources Sub Committee chaired by a director and from the Chief Executive officer (CEO) and other members of the Management Team.

Daily operational responsibility is delegated to the Chief Executive Officer, who is supported by a management team consisting of the Head of Community Development, the Head of Volunteering Development and the Projects Manager.

Achievements and performance

Our workplan for the year 2014/15 consisted of 125 key activities with performance indicators and targets against each one. The full report is available on our website, but below are some of the key achievements, split by our two main 'customer' groups – organisations and volunteering.

In terms of organisational support, representation and community planning:

- Over 12,000 enquiries and request for information;
- More than 560 organisations supported;
- 44 organisations were given crisis/extensive support;
- 560 people attended our 44 training courses;
- 80 e-mail bulletins sent to over 2,000 key contacts;
- 1,172 tweets;
- 318,000 page views on our website;
- 78 short breaks grants awarded to local carers;
- 66 organisations secured funding with our direct support;
- 89 organisations receiving a payroll service and/or independent examination;
- 26 social enterprises received capacity building support;
- 33 new social enterprises received start-up support;
- 34 referrals to specialist social enterprise support agencies;
- Over 330 community planning related meetings attended;
- 14 third sector forum meetings held;
- 11 policy-related consultations involving third sector;
- 372 news articles on our website.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

In terms of volunteer support and volunteering development:

- 615 people attended our introduction to volunteering information sessions;
- 176 new volunteers with higher support needs;
- More than 1,600 volunteers placed in local volunteering opportunities;
- Over 1,000 Saltire Award certificates given to young volunteers;
- 31 volunteer befrienders recruited;
- 191 organisations benefitted from volunteering development support;
- 30 volunteer management training sessions delivered;
- 137 new volunteering opportunities registered and promoted.
- 15 social enterprise e-bulletins.

The year 2014/15 saw some significant increases in performance across a number of activities and some of the numbers above reflect further increases on those achievements. We continue to deliver high quality services to those who need it. Our achievements have resulted in more referrals, as people and organisations have come to recognise and trust the brand and what we do. Our greatest challenge, in terms of achieving targets, remains the responsive nature of what we do – we do what we can to help organisations and people when they need it, and not when it suits us to do it.

Financial review

2014/15 is only our second year as a single organisation, but is one which saw continued change and improvement across all aspects of the organisation, including finance.

We are particularly pleased to have concluded significant improvements to our accounting systems and financial reporting, ensuring managers and Board members have access to accurate, current financial data and our record-keeping for audit purposes is more robust than ever.

In line with many other voluntary organisations, we continue to face increased demand for services and our staff members and volunteers are busier than ever. Securing sufficient resources to fund all of this activity is increasingly difficult – the organisation has had to contribute unrestricted reserves to two projects during the year (Reshaping Care for Older People and Footcare Fife) to ensure local organisations and people were able to continue to benefit. Ongoing subsidies will be subject to policy decisions of the Board, with significant uncertainty over funding for our Training project going into 2015/16. Most grant income sources were confirmed prior to the start of the 2014/15 financial year, but confirmation for some sources is getting later, creating a level of risk as budgets are agreed and workplans established.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

Overall, financial performance in 2014/15 was strong, with slightly more income (£1,272,674) than expenditure (£1,187,239). The organisation continues to build its unrestricted reserves, in line with good practice and our governance obligations, increasing from £192,318 in 2013/14 to £255,715 by the end of March 2015. This figure, whilst an improvement, is still not quite sufficient for the reserves policy requirement of having three months operating costs in unrestricted reserves. We shall continue to seek to develop unrestricted reserves to meet this target during 2015/16.

Principal funding sources

Our principal funding sources for the financial year 2014/15 were unchanged on previous years: Fife Council, Scottish Government, NHS Fife supplying 'core' funding and project funding from a range of funders, the majority of whom are Fife Community Planning Partnership partners, particularly in relation to employability and, health and social care.

Reserves/Investment policy

Funding received for specific pieces of work or particular areas of work is contained within restricted funds in order to ensure that it is spent on the purpose for which it was paid.

The company's Reserves Policy states that the organisation should retain reserves equivalent to 3 months of operating costs in order to offset costs that would be incurred if it was necessary to wind the organisation up. These costs, and therefore the organisation's target, amounts to approximately £290,000 to be held in general (unrestricted) funds. The general unrestricted, reserves as at 31 March 2015 were £255,715. We carefully monitor this level as it fluctuates during the year.

Plans for future periods

In last year's Directors' Report we spoke of our ambitions to develop voluntary sector hubs in Fife. During the year 2014/15, our ambitions took some significant steps forward in close consultation with our partners, Fife Council. We plan to open two new voluntary sector hubs in the financial year 2015/16 – one in Kirkcaldy and one in Leven. We are particularly pleased to re-establish our connection with the Levenmouth area after relocating our main office from Buckhaven to Glenrothes early in 2014. As an organisation, we are keen to ensure our services and support are available across all communities in Fife. We shall also be looking to further embrace technology to support more people and organisations, and along with our Community Planning partners, will be looking at how we target our services to those communities in greatest need.

Fife appointed an independent Commission (the Fairer Fife Commission) to look at inequality, particularly around poverty, with a view to providing recommendations to the Council and the Community Planning Partnership (of which FVA is a member, and represents the interests of the third sector). We will contribute to the work of the Commission and watch closely for the report and findings which are due in late 2015, to see what changes we might want to make in our own work and what we might suggest with the work of partners and other organisations in the third sector.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

Changes in the public sector continue to be a source of challenge and concern for FVA, other third sector organisations and the people of Fife. These changes also present opportunities and we continue to work closely with our public sector partners, through Community Planning Partnership (CPP) structures, and with the third sector (primarily through forums, networks and established relationships) to work in ways which represent best value, reduce inequality and follow the CPP's framework on prevention and early intervention.

Health and Social Care Integration is the biggest change facing the public sector and this continues to be a key focus going into 2015/16 with the establishment of a new Integrated Joint Board, where FVA hopes to have a seat. The commissioning challenges and opportunities for the wider third sector are considerable, and our role is to ensure our sector is able to play a full part in improving the health and social care outcomes of Fifiers in a sustainable way.

Fife Centre for Equalities has been an exciting project to be involved in – working closely with colleagues in Fife Council and NHS Fife to steer it from birth in the reporting year. The next financial year will see us support the project to fly the FVA nest and become a standalone third sector organisation.

2015/16 will see us step up our efforts to be transparent and accountable to a wide range of organisations and people, with more consultation, service user evaluation, workplan consultation and the publication of our workplan and performance reports to Fife's Third Sector Strategy Group (TSSG) and the wider public. We continue to strengthen our relationship with the TSSG: influencing and supporting them in their vision and leadership efforts and, helping them to resource and deliver activities. We also report performance to the TSSG and are held to account by the membership (who are elected from the third sector in Fife). The TSSG is also able to appoint up to 2 Directors to the Board of FVA (currently Andrew McDaniel and Rhona Cunningham).

Recognition and thanks

The board of Directors would like to express their thanks to those who have worked with us during the year. We'd particularly like to thank the volunteers and third sector organisations that work tirelessly to improve our communities and the opportunities for the people of Fife. We'd also like to thank our funders and strategic partners for their continued support.

The Directors are particularly appreciative of the hard work and commitment of the skilled staff, placements and volunteers who have made all our achievements possible.

The Directors would like to recognise the long and committed service of our previous chairperson, Robert Bell, who stood down from the Board at the end of the financial year.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

Statement of Directors' responsibilities

The Directors (who are also trustees of Fife Voluntary Action for the purpose of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Account (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

To the knowledge and belief of each Director at the time the report is approved:

- So far as each Director is aware, there is no relevant information of which the company's auditor is unaware, and
- Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information, and to establish that the company's auditor is aware of the information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report was approved by the Directors on 25 November 2015 and signed on their behalf by



Chairperson
Robert Lumsden

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Fife Voluntary Action for the year ended 31 March 2015 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charity's trustees, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Trustees (who are also the Directors for the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**FIFE VOLUNTARY ACTION
(a company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

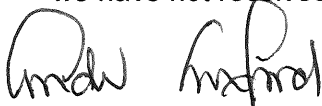
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting periods 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



**Andrew Croxford (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditor
Dunfermline**

25 November 2015

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Incoming resources					
Incoming resources from generated funds:					
• Voluntary income	2	663,451	521,063	1,184,514	1,001,844
• Activities for generating funds		79,621	8,231	87,852	65,621
• Investment income – bank interest		297	11	308	512
Total incoming resources		<u>743,369</u>	<u>529,305</u>	<u>1,272,674</u>	<u>1,067,977</u>
Resources expended					
Costs of generating funds		25,600	-	25,600	25,600
Charitable activities	3	623,965	518,920	1,142,885	930,473
Governance costs	4	18,754	-	18,754	32,857
Total resources expended		<u>668,319</u>	<u>518,920</u>	<u>1,187,239</u>	<u>988,930</u>
Net incoming resources before transfers		75,050	10,385	85,435	79,047
Gross transfers between funds		<u>(11,653)</u>	<u>11,653</u>	<u>-</u>	<u>-</u>
Net incoming resources after transfers		63,397	22,038	85,435	79,047
Fund balances at 1 April 2014	12	<u>192,318</u>	<u>62,562</u>	<u>254,880</u>	<u>175,833</u>
Fund balances at 31 March 2015	13	<u>255,715</u>	<u>84,600</u>	<u>340,315</u>	<u>254,880</u>

All results of the company relate to continuing activities.

There were no recognised gains or losses for either year other than those included in the Statement of Financial Activities.

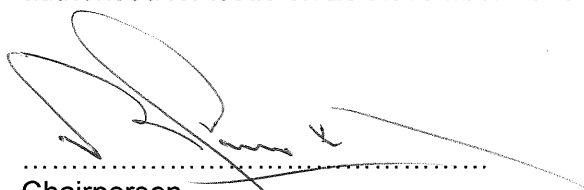
The notes on pages 13 to 26 form part of these financial statements.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets	8		66,650		50,866
Current assets					
Debtors	9	103,877		47,794	
Cash at bank and in hand		<u>281,222</u>		<u>261,687</u>	
		385,099		309,481	
Creditors: amounts falling due within one year	10	<u>(111,434)</u>		<u>(105,467)</u>	
Net current assets			273,665		204,014
Net assets			<u>340,315</u>		<u>254,880</u>
Reserves	12				
Restricted funds			84,600		62,562
Unrestricted funds			<u>255,715</u>		<u>192,318</u>
			<u>340,315</u>		<u>254,880</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements were approved and authorised for issue on 25 November 2015 and are signed on their behalf by:



.....
Chairperson
Robert Lumsden

Registered Company Number: SC203613

The notes on pages 13 to 26 form part of these financial statements.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

Going concern

The directors are satisfied that Fife Voluntary Action has adequate unrestricted resources, of which a high percentage is held in cash, to continue its objectives for the foreseeable future, and therefore continue to adopt the going concern basis in preparing these financial statements.

Pension costs

The company operates a defined benefit pension scheme for two employees and a defined contribution pension scheme for other participating staff. The assets of the schemes are held separately from those of the company in independently administered funds. The defined benefit pension scheme is administered by The Pensions Trust (note 7). The amount charged represents the contributions payable to the schemes in respect of the accounting period. Total contributions are disclosed in note 6 to the financial statements.

Cash flow statement

The company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No 1.

VAT

The company is not registered for VAT. Accordingly, expenditure is shown inclusive of VAT in the financial statements.

Voluntary income

Voluntary income is included in full in the Statement of Financial Activities when the charity is entitled to it, there is reasonable certainty of receipt and the amount is measurable.

Grants

Grant income is recorded in the financial statements in accordance with the financial year to which it relates, unless it relates to a specified future period, in which case it is deferred.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies (continued)

Overheads and salaries

Overheads and salaries are allocated to funds in accordance with the understandings with local and central government authorities and with other funders and where possible directly to charitable or administrative expenses. When this has not been possible, an estimate based on staff time has been made of the proportion to be charged to each activity. Support costs are those costs incurred directly in support of the objects of the charity and are charged within the appropriate overhead, together with direct charitable expenditure.

Tangible assets and depreciation

Fixed assets are stated at cost. Depreciation is provided on tangible fixed assets to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life, as follows:

Leasehold improvements	4 years
Office equipment	4 years
Computer equipment	4 years

Resources expended

Resources expended are recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries;
- Costs of generating funds comprise the costs associated with attracting voluntary income; and
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as they fall due.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1. Accounting policies (continued)

Funds

Unrestricted funds are income sources which are receivable for the objects of the charity without further specified purposes and are available as general funds.

Designated funds are unrestricted funds which have been ring-fenced by the directors for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Transfers from unrestricted funds are made to meet any shortfalls in restricted projects.

2. Voluntary income

	Unrestricted	Restricted	Total 2015	Total 2014
	£	£	£	£
Grants				
Fife Council Revenue grant	326,064	-	326,064	270,188
Fife Council Capital grant	-	-	-	19,323
NHS Fife	22,284	-	22,284	22,063
Scottish Government	300,800	-	300,800	300,800
ESF training	-	21,932	21,932	15,953
Short Break Awards	-	45,340	45,340	33,698
Give Something Back	-	56,212	56,212	54,607
More Choices, More Chances	-	34,159	34,159	28,287
Supporting Enterprise Communities	-	-	-	57,000
Reshaping Care for Older People	-	55,000	55,000	40,000
Placement Project	-	-	-	1,833
Opportunities Fife	-	53,860	53,860	59,500
Family Nurture Centre	-	55,070	55,070	27,092
Kingdom Companions	-	30,000	30,000	30,000
Footcare	-	18,500	18,500	9,500
Shine	-	20,000	20,000	32,000
SCVO	13,053	-	13,053	-
Equalities Hub	-	99,990	99,990	-
Volunteer Employability Project	-	21,000	21,000	-
Housing & Homelessness	-	10,000	10,000	-
Other funding	1,250	-	1,250	-
	<u>663,451</u>	<u>521,063</u>	<u>1,184,514</u>	<u>1,001,844</u>

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

3. Resources expended – charitable activities

	Unrestricted	Restricted	Total 2015	Total 2014
	£	£	£	£
Staff costs	401,111	335,457	736,568	649,449
Travel costs	10,672	12,043	22,715	24,804
Training costs	-	4,485	4,485	1,800
Maintenance	11,738	235	11,973	4,440
Short Break Awards	-	40,263	40,263	30,105
Shine Project costs	-	20,000	20,000	32,000
Reshaping care expenses	-	5,424	5,424	7,861
Support costs				
Property costs	68,994	16,070	85,064	62,100
Stationery and printing	10,775	13,333	24,108	16,797
Equipment costs	11,093	-	11,093	10,420
Advertising	9,003	3,599	12,602	3,900
Sundry	9,356	3,377	12,733	8,384
Telephone	5,508	1,239	6,747	8,810
ICT support	30,231	2,882	33,113	16,647
Depreciation	15,407	-	15,407	5,931
Fife Interface	16,000	-	16,000	16,000
Developmental costs	21,695	58,879	80,574	21,748
Professional fees	-	1,634	1,634	-
Bank charges	1,466	-	1,466	1,322
Recruitment costs	916	-	916	1,100
Relocation costs	-	-	-	6,855
	<u>623,965</u>	<u>518,920</u>	<u>1,142,885</u>	<u>930,473</u>

4. Governance costs

	2015 £	2014 £
Auditor's remuneration	4,491	5,185
Professional fees	9,063	22,642
Management committee expenses	200	30
Staff costs	5,000	5,000
	<u>18,754</u>	<u>32,857</u>

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

5. Taxation

The company has been granted exemption from tax under sections 466 to 493 of the Corporation Tax Act 2010.

6. Staff numbers and costs

	2015 Number	2014 Number
The average weekly number of employees during the year was made up as follows:		
Charitable staff	<u>28</u>	<u>25</u>
	£	£
Salaries and wages	663,529	582,942
Social security costs	58,452	53,309
Pension costs	<u>42,661</u>	<u>43,798</u>
	<u>764,642</u>	<u>680,049</u>

No employee received emoluments above £60,000 (2014 : none).

One director (2014 : one) received reimbursement for travel expenses totalling £200 (2014 : £322). Directors do not receive any other remuneration.

The company operates a defined contribution scheme. There were £311 of outstanding pension contributions at 31 March 2015 (2014 : £568).

7. Defined benefit pension scheme

Fife Voluntary Action participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid in the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

7. Defined benefit pension scheme (continued)

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Fife Voluntary Action paid contributions at the rate of 6% during the accounting period. Members paid contributions at the rates of 3% or 6% during the accounting period.

As at the balance sheet date there were two active members of the Plan employed by Fife Voluntary Action. Fife Voluntary Action has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2014 were completed in 2015 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the "buy-out" method. The market value of the Plan's assets at the valuation date was £800 million and the Plan's Technical Provisions (ie past service liabilities) were £1,055 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £255 million, equivalent to a funding level of 75.9%.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

7. Defined benefit pension scheme (continued)

The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% pa
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 31 March 2015. The market value of the Plan's assets at that date was £872 million and the Plan's Technical Provisions (ie past service liabilities) was £1,136 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £264 million, equivalent to a funding level of 76.7%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

**FIFE VOLUNTARY ACTION
(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015**

7. Defined benefit pension scheme (continued)

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis, ie the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a 'last man standing' multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore jointly and severally liable for the deficit in the Growth Plan. As at 31 September 2014 the total deficit calculated on the buy-out basis was £254.6 million.

Fife Voluntary Action has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2014. As of this date the estimated employer debt for Fife Voluntary Action was £98,799 (2014: £87,088). The directors currently have no plans to withdraw from the scheme.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

8. Fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
As at 1 April 2014	17,221	12,919	43,030	73,170
Additions in the year	939	9,520	20,732	31,191
	<u>18,160</u>	<u>22,439</u>	<u>63,762</u>	<u>104,361</u>
Depreciation				
As at 1 April 2014	233	8,619	13,452	22,304
Charge for the year	4,540	1,177	9,690	15,407
	<u>4,773</u>	<u>9,796</u>	<u>23,142</u>	<u>37,711</u>
Net book value				
As at 31 March 2015	<u>13,387</u>	<u>12,643</u>	<u>40,620</u>	<u>66,650</u>
As at 31 March 2014	<u>16,988</u>	<u>4,300</u>	<u>29,578</u>	<u>50,866</u>

9. Debtors

	2015 £	2014 £
Prepayments and accrued income	81,594	39,067
Trade debtors	22,283	8,727
	<u>103,877</u>	<u>47,794</u>

10. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	64,740	17,525
Deferred income (note 11)	-	39,409
Accruals	25,272	31,403
Other creditors	2,457	-
Other tax and social security	18,654	16,562
Pension contributions	311	568
	<u>111,434</u>	<u>105,467</u>

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

11. Deferred income

	2015 £
Balance as at 1 April 2014	39,409
Income received and deferred in the year	-
Released in the year	<u>(39,409)</u>
Balance as at 31 March 2015	<u>-</u>

Deferred income relates to grants received which have been specified for spend in future accounting periods as per the conditions imposed by the funder.

12. Reserves

	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfer between funds £	Balance at 31 March 2015 £
Unrestricted funds					
General	172,995	743,369	(668,319)	(8,586)	239,459
Designated	19,323	-	-	(3,067)	16,256
	<u>192,318</u>	<u>743,369</u>	<u>(668,319)</u>	<u>(11,653)</u>	<u>255,715</u>
Restricted funds					
ESF training	3,990	28,526	(32,516)	-	-
Short Break Project	32,395	45,351	(51,513)	-	26,233
Giving Something Back	-	56,212	(56,212)	-	-
More Choices, More Chances	-	34,159	(31,009)	-	3,150
Reshaping Care for Older People	-	55,000	(58,812)	3,812	-
Opportunities Fife	22,572	53,860	(69,900)	-	6,532
Family Nurture Centre	-	55,070	(55,070)	-	-
Kingdom Companions	-	30,000	(30,000)	-	-
Footcare	-	20,137	(27,978)	7,841	-
Shine	-	20,000	(20,000)	-	-
Carol Gardiner legacy	3,605	-	(135)	-	3,470
Equalities Hub	-	99,990	(67,432)	-	32,558
Volunteer Employability	-	21,000	(8,343)	-	12,657
Housing & Homelessness	-	10,000	(10,000)	-	-
	<u>62,562</u>	<u>529,305</u>	<u>(518,920)</u>	<u>11,653</u>	<u>84,600</u>
Total funds	<u><u>254,880</u></u>	<u><u>1,272,674</u></u>	<u><u>1,187,239</u></u>	<u><u>-</u></u>	<u><u>340,315</u></u>

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

12. Reserves (continued)

Designated funds

One-off funding given by Fife Council Community Learning and Development to enable the purchase of laptop computers for use between FVA and Fife Council to support outreach computer learning sessions for jobseekers and others facing the challenges of digital exclusion. The funding was spent in the previous year, and has been transferred to a designated fund to be released in line with the depreciation of the assets.

Restricted funds

ESF training

This project enables Fife Voluntary Action to organise and deliver a wide range of training and learning sessions to staff and volunteers in the third sector at no cost to the delegate. The European funding covers up to 40% of eligible costs in delivering this programme, with other costs being met through core funding. Most of the costs contribute to a part-time Training Development Officer post. This funding arrangement came to an end in March 2015. Funding is received significantly in arrears, sometimes nine months after resources have been committed.

Short Break Project

This is Scottish Government funding received through Shared Care Scotland to provide grants of up to £500 to local carers of adults (there are other funding streams for carers who care for those aged 19 and under). A small proportion of the funding is retained to cover overheads with the majority going to carers. Carers are required to complete an application form, provide a referee and provide supporting evidence of spend, if successful. A panel decides on applications and is chaired by Fife Voluntary Action's Projects Manager with representatives from local carers' organisations. This funding is applied for each year and runs from October to September. Further funding was secured in September 2015 ensuring this service can be offered until September 2016.

Give Something Back

This is a project which provides additional support to potential volunteers who face significant barriers – particularly with their health (physical or mental). Funding is secured on an annual basis from Fife's Health and Wellbeing Alliance. The Alliance stopped funding this project in March 2015. One year replacement funding will be provided through Health & Social Care Partnership to March 2016.

More Choices, More Chances

This is project funding which employs a staff member to support young people (16+) with support needs into volunteering as a positive destination. It is part funded from ESF (40%) and former Fairer Scotland Funding (FSF) for the remaining 60%.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

12. Reserves (continued)

Restricted funds (continued)

Reshaping Care for Older People

This is key partnership activity with Fife Council Social Work and NHS Fife which funds us to provide coordination and promotion activity around this Scottish Government Change Fund. Funding was initially received during 2011/12 to employ a full-time staff member, invest in supporting organisations with outcome monitoring and evaluation and exploring feasibility of innovative new projects within the third sector. Change Fund funding has been secured until March 2015, with 2014/15 being the final year of this particular Change Fund. The new Integrated Care Fund will replace this fund, although funding decisions have not yet been reached by the Health and Social Care Partnership.

Opportunities Fife

Opportunities Fife is the employability partnership in Fife, sitting within the Community Planning Partnership structure. The partnership, through Fife Council, funds FVA to develop the capacity of the third sector to contribute to employability outcomes. FVA also contributes strategically at the partnership, coordinates Fife's Employability Forum, facilitates a range of training and networking events and has provided significant support to the new third sector employability consortium in Fife.

Family Nurture Centre

This is a Public Social Partnership project taking place in South West Fife. It provides early years support to families through a unique partnership involving Barnardo's, Fife Gingerbread, Home Start Dunfermline, Scottish Pre-School Play Association and Aberlour. FVA provides project management support. This activity is funded through Fife Council. NHS Fife are partners in the overall development of this approach. FVA's role in this project was completed in October 2015.

Footcare

This is a project to provide footcare for clients who struggle to look after this aspect of their health. NHS Fife do not provide this service but often then have to provide care to some of these clients when their symptoms get worse. This is a preventative, maintenance project which is funded through NHS Fife to prevent people needing more expensive, intrusive care and providing a better quality of life for clients. It is delivered through volunteers who undergo specialist training by NHS Fife. We employ a project coordinator to manage the project and support the volunteers. It is being developed as a social enterprise initiative, making a modest charge to clients in order to reduce dependence on grant income and become self-sustaining. A modest amount of funding has been secured to expand the pilot in 2015/16.

Shine

This was funding provided through the Health and Social Care Partnership's Reshaping Care for Older People Change Fund. It was a payment mechanism for the Shine Project and is delivered by NHS Fife and BRAG Enterprises. The Health and Social Care Partnership had responsibility for agreeing and overseeing the funding, the funds were released to FVA and then paid to BRAG Enterprises.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

12. Reserves (continued)

Restricted funds (continued)

Volunteer Employability

This is a new project established as part of the new third sector employability consortium. FVA secured funding from Opportunities Fife, through the consortium, to support people to volunteer as a way to achieving an employment outcome. This project was piloted in the second half of the financial year and received continued funding into 2015/16.

Housing and Homelessness

This was one-off funding received to support the establishment of a new consortium/PSP structure to deliver homelessness and housing support services in partnership with Fife Council's Housing Service and voluntary sector providers. The grant funding allowed for professional and legal advice to be taken and to provide cost recovery for FVA in managing the process.

Carol Gardiner Legacy

These funds were transferred from Volunteer Centre Fife on merging and have been received to enable Fife Voluntary Action to provide grants of up to £200 to volunteers living in West Fife who face financial barriers to their volunteering (such as travel costs).

13. Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds at 31 March 2015
	£	£	£
Fixed assets	15,423	51,227	66,650
Current assets	148,929	236,170	385,099
Current liabilities	<u>(79,752)</u>	<u>(31,682)</u>	<u>(111,434)</u>
	<u>84,600</u>	<u>255,715</u>	<u>340,315</u>

14. Related party transactions

There were no disclosures during the year required by Financial Reporting Standard 8 'Related Party Disclosures'.

FIFE VOLUNTARY ACTION
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

15. Operating lease commitments

The company's commitments under non-cancellable operating leases for the next year are for leases expiring:

	Land and buildings £	Office equipment £	Total 2015 £	Total 2014 £
Less than 1 year	-	-	-	315
Between 2 and 5 years	<u>27,600</u>	<u>4,844</u>	<u>32,444</u>	<u>39,643</u>
Total	<u>27,600</u>	<u>4,844</u>	<u>32,444</u>	<u>39,958</u>

16. Non-audit services

In common with many other companies of its size, the company uses its auditor to assist with the preparation of its financial statements.

