



**Edinburgh Voluntary Organisations Council**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 March 2018**

**COMPANY NUMBER: SC173582**

**CHARITY NUMBER: SC009944**

# **Edinburgh Voluntary Organisations' Council**

## **Annual Report and Financial Statements**

**For the Year Ended 31 March 2018**

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# Edinburgh Voluntary Organisations Council

## Convenor's Foreword

This year's Annual Report reflects another year of significant activity against a background of increased demand and tightening resources. As ever, we have been active on behalf of the sector in a wide range of projects, dialogues and networks. Major areas of activity have included: representing and supporting the sector's engagement with the Health and Social Care (H&SC) Partnership and the Edinburgh Integration Joint Board (EIJB); actively participating in the Scottish Government review of TSIs; and continuing to work in partnership with the sector and statutory bodies. Participation in Strategic Partnership meetings and Networks and Forums remains high. The number of organisations taking up our governance training almost doubled and the traffic on our website increased by 20%.

The most crucial challenges facing EVOC and the sector are lack of funding and the short-term nature of many funding agreements making it difficult to retain skilled staff and leading to unnecessary and counterproductive churn throughout the sector. We welcome the shift by some funders towards longer term funding agreements but would like to see more progress with this and more consistency. In Edinburgh, as elsewhere, the Third Sector is increasingly stepping in to plug the gaps in statutory services. As this year's Compact Voice identified, there are over 2,000 charities and 1,000 community groups in Edinburgh. Many are engaged in preventative work and many provide support to vulnerable and disadvantaged groups experiencing poverty, disability, homelessness and ill health. Other organisations aim to enhance the quality of life for all by providing sporting, recreational, arts and cultural activities. But whatever their role, Edinburgh needs a thriving third sector to complement the statutory and business sectors and enable it to be a place in which its citizens can lead happy, healthy and productive lives.

EVOC has been an essential part of the fabric of Edinburgh for 150 Years from its inception in 1868 as The Edinburgh Association for Improving the Condition of the Poor. In the early days, EVOC fulfilled many of the functions which came to be part of the role of the State. It undertook an early form of social work, visiting families in need and supporting them with advice, donations of food and blankets and sometimes financial assistance. It provided employment, paid school fees, organised hot meals for school children and adults, provided clothing and spectacles for school children, organised a health visitor service and established savings funds. Many eminent Victorians were involved in the early days of the organisation including Sir James Young Simpson, Dr Elsie Inglis and Flora Stevenson. Over the years, many of the original functions of the organisation were taken up by the developing welfare state and NHS. As a result, the organisation grew in other directions such as supporting volunteering, operating the first Citizen's Advice Bureau, campaigning for accommodation for the homeless, running transport for the disabled. Throughout its history, EVOC has met challenges, found solutions and adapted to change. And alongside this it has worked in partnership with and supported voluntary and statutory organisations.

## **Edinburgh Voluntary Organisations Council**

### **Convenor's Foreword (continued)**

This is my last Annual Report as I will be stepping down from the Board later this year after the maximum term of nine years, five of them as Convenor. It has been a privilege to be part of the EVOC team and I have been fortunate to be part of the celebrations and events to mark our sesquicentennial anniversary. The celebrations will continue throughout the year, concluding in the publication of the report of findings from our Commission on prevention and early intervention (Mind the Craic). As I depart from EVOC, I know I will be leaving it in good hands and I would like to thank Ella and her team and my fellow Board Members for their hard work, support, commitment and time over the last year and indeed throughout my time as Convenor.

Joan Fraser  
*Convenor*  
28 August 2018

# **Edinburgh Voluntary Organisations Council**

## **Directors' Annual Report**

The Directors are pleased to present their annual report and financial statements of the charity for the year ended 31 March 2018 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Our Mission**

EVOC's mission is to support the Third Sector to build and enable resilient, sustainable and inclusive communities.

### **Our Vision**

EVOC is an organisation which is highly respected, regarded and trusted as an effective strategic partner. EVOC is the first point of contact for the Third Sector in Edinburgh and for other bodies concerning issues which affect the Sector. EVOC is a partner in the Edinburgh Third Sector Interface (TSI), which is part of a national network of Third Sector Interfaces.

We are a trusted leader in supporting, building the capacity of and a model of good practice for the sector.

### **Our Objectives and Activities**

EVOC has set five key objectives against which all our potential developments, team and individual work plans are measured. These objectives were reviewed July 2015 and remain at the heart of all our work.

- Consulting, supporting and representing the sector
- Building capacity and developing the sector
- Developing partnership approaches, principles and practice
- Providing improved services by supporting and developing our people
- Being a high quality, effective and developing organisation

It would be impossible to detail all our activity against each of these objectives. Short summaries of some of this work are detailed below.

# Edinburgh Voluntary Organisations Council

## Directors' Annual Report (continued)

### **Our Achievements and Performance over 2017 – 18**

- £988,928 distributed to the sector through grants and tests of change projects
- 108 referrals were received by our capacity building and organisational development team
- 27 organisations received support through significant change
- 39 groups were supported to set up new organisations
- 21 FREE training sessions on governance (setting up a charity and roles and responsibilities of trustees) were delivered to 208 people from 131 organisations
- 32 continuous professional development courses were delivered to 246 people from 147 organisations
- 48 people from 39 organisations attended FREE or subsidised continuous professional development courses
- 30,646 unique users accessed EVOC website – 83% being return users and 17% new users
- 107,342 pages viewed on EVOC website – up 53%
- 1,794 organisations, providing 6,909 services, are in our Red Book
- 40,531 unique hits on EVOC Red Book – up 66%
- 21 events – thinkSpace, launches, consultations – were attended by 502 people
- 126 people attended our annual Third Sector Conference and AGM
- 448 organisations attended thematic and geographical forums and networks
- 2,450 organisations received reports, papers and notifications of meetings
- 41 people were supported to represent the Third Sector at strategic partnerships (24 roles/14 people/11 organisations for Network)
- 71 network and forum meetings were held
- 117 partnership meetings with public sector

### **Consulting, Supporting and Representing the Sector**

EIJB and H&SC Partnership continue to dominate the work priorities of EVOC and the majority of the Third Sector. 2017 – 18 has proved to be a turbulent year for the Partnership. The Joint Care Inspectorate and Health Improvement Scotland Report on statutory adult H&SC services in Edinburgh was published in May 2017. It identified a number of areas of weakness and made seventeen recommendations for improvement. In the second half of the financial year that we felt the expertise and knowledge of the Third Sector was recognised and welcomed around the table. It was acknowledged by the EIJB that the issues raised under the Joint Inspection report for older people were applicable across all ages and it was agreed to develop outline strategic commissioning plans for all client groups. We are now facilitating close working with statutory partner lead officers to draft outline strategic commissioning plans.

## **Edinburgh Voluntary Organisations Council**

### **Directors' Annual Report (continued)**

The Third Sector Strategy Group has taken a very close interest in how the strategic commissioning plans will be developed and the EIJB formally adopted a set of core principles drafted by TSSG which will underpin all of this work.

The H&SC grants programme was due to finish March 2018 however it was agreed to roll over these grants for a further year to undertake a full review with a commitment to co-produce the purpose, principles and priorities. A reference board has been established with representatives from across public and Third Sector.

Procurement methodology impacts significantly on the Third Sector. We have worked with colleagues in City of Edinburgh Council and the Scottish Government to share our understanding of the impact of the different procurement methods e.g. grants, competitive tendering, public social partnerships and participatory budgeting. Each of these methods have a place in the menu of options open to public sector however the impact on people and communities must be fully recognised before a decision is made regarding methodology.

Following the local elections in May 2017, in partnership with Volunteer Edinburgh and Edinburgh Social Enterprise, we delivered information and induction training to elected members. Elected members are engaging in the sector forums and networks. Everybody's Edinburgh (the Third Sector manifesto) continues to provide a very relevant benchmark of progress against the huge issues facing people every day.

Compact Voice 2017 was published providing a snapshot of the sector and is now firmly established as a robust reference point across all sectors.

### **Building Capacity and Developing the Sector**

EVOC has continued to provide much needed, affordable and accessible training to the Sector. We have listened to feedback and added new courses which have proven very successful – increasing the number of organisations accessing our training. We secured funding which has provided free or subsidised training to smaller organisations and we have continued to offer a 10% discount to all our members. The introduction of a workshop offering a “nuts and bolts” approach to writing funding applications was well received.

At the core of our purpose is to enable our sector to be the very best it can be; to this end we continue to provide free organisational development and capacity building support to any organisation working and delivering services within Edinburgh. Our small team of leading experts in charity law and governance provide a high quality service to a large number of organisations, free training for trustees and support organisations through significant periods of change and challenge. By its very nature this work is confidential and discreet. However, the feedback we receive from staff and trustees we have worked with recognises that this is an invaluable and supportive process.

## **Edinburgh Voluntary Organisations Council**

### **Directors' Annual Report (continued)**

EVOC piloted Community Link Workers in Edinburgh. Working with NHS/H&SC Partnership primary care colleagues, the link workers are embedded in GP surgeries and provide a bridge to community support services. True to our ethos of not delivering long term services we have followed our principles of “hatch, match and despatch”. The Link Workers are now employed by community based organisations and our role is to support the partnership and to report on the collective impact.

### **Developing Partnership Approaches, Principles and Practice**

Community Planning in Edinburgh has been widely acknowledged as a complex landscape and this often results in confusion regarding governance routes, roles and responsibilities of the various partnerships within the wider “family”. It has been agreed to undertake a full review of the governance and structures of community planning with the express purpose of increasing effectiveness and community engagement. EVOC’s Chief Executive Ella Simpson (Vice Chair of Edinburgh Partnership Board) will chair the review.

Public sectors are now aligned to deliver services on a locality basis however there is inconsistent progress across the four localities. There is, however, real traction in working with the Third Sector to plan, review and deliver supports to people.

We have worked with partners from all sectors over the year to deliver an integrated hospital discharge support service. This is a truly collaborative approach and ensures that the supports existing within the community are recognised and understood by our statutory partners and, more importantly, people have real choice when they are leaving hospital.

EVOC held a thinkSpace event attended by 40 people focused on the potential of a collaborative approach across sectors to create a system change consortium approach towards early action in family support. While this exciting work is in its infancy it is an exciting new approach which people are committed to developing jointly and we will continue to support it.

EVOC and members of the Children, Young People and Families Network have engaged in outcome focus group to support the delivery of the Edinburgh Children’s Partnership Service Plan.

EVOC is clear that our aim is to support people from our sector to represent the sector at the various strategic forums and networks. Working with the sector we have developed a robust code of conduct and feedback process to the sector members. The traffic on our website demonstrates how important this feedback is to the wider sector and our thanks go to all the organisations who have made the strategic decision to support their staff member to take up these vital roles.

### **Providing Improved Services by Supporting and Developing Our People**

EVOC has well embedded support and supervision, appraisal and CPD systems. As with all organisations, there are huge budgetary pressures but the Board and senior management are clear that we must invest in our staff team.

# Edinburgh Voluntary Organisations Council

## Directors' Annual Report (continued)

### **Being a High Quality, Effective and Developing Organisation**

In 2016, EVOC received EFQM committed to excellence accreditation. The principles and practice of “plan, do and review” are embedded in our work. As funding becomes tighter and more of our staff team are part time this becomes a difficult practice to maintain but we are committed to ensuring that our sector received the best possible service and will continue with this practice. It is through this practice that we, for example, reflect on the impact of our highly successful thinkSpace events and revise the offer to our membership.

We have developed a successful internship programme which enables us to gather evidence and use existing data to highlight the impact of the EVOC and the sector.

### **Future plans**

- EVOC will celebrate its 150<sup>th</sup> birthday throughout 2018 – 19. We have secured funding from the Heritage Lottery Fund to not only explore our rich history but to consider how we can build on this and the amazing work of the whole sector to continue to address social justice, poverty and inequality in our city.
- Mind the Craic (prevention and early intervention). We have secured funding to progress our promise to listen to people of Edinburgh on “what works for you” in relation to prevention and early intervention. This work will involve not only the citizens of Edinburgh but statutory and private sector organisations. It is an ambitious project and we will work hard to ensure it has maximum impact.
- Strategic plan 2018 – 21. We will review and revise our strategic plan recognising any changing priorities, shifts in policy and practice and the increasingly difficult financial environment the sector operates in.
- H&SC strategic commissioning plans. We are established leads in many of the workstreams within the strategic commissioning plans. It is vital that these documents are drivers for change. We will work with the experts within the sector to ensure that there are real and sustainable changes in how people experience services.
- Community planning review. Partnership working is at the very heart of everything we do. Community planning must become central to everything within the city which requires us to work collaboratively. The community planning review must focus on how people can become involved in what matters in their community. We will support the sector to engage in this review and continue to advocate strongly that the purpose of community planning is to engage across communities and that governance structures must support this aim.
- The review of TSIs undertaken by Scottish Government has resulted in their decision to cease funding the national networking body in 2018 – 19. We will work with Scottish Third Sector Unit and our colleagues across Scotland to ensure we continue to have mechanisms to share learning and collaborate on issues which are beyond each of our geographical boundaries.

# Edinburgh Voluntary Organisations Council

## Directors' Annual Report (continued)

### Financial Review

In this financial year EVOC's total incoming resources were £1,989,853 (2017: £1,830,539) and total resources expended were £1,791,089 (2017: £1,814,500). Of total incoming resources £988,928 (2017: £977,356) was paid out again directly to other Third Sector organisations. After recognised gains and losses on investment assets, EVOC produced a surplus of £198,752 (2017: £42,101).

### Investment Policy

EVOC's investments form a small (3.17%) part of a diversified portfolio managed on their behalf by the Trustees of Edinburgh and Lothian Trust Fund (ELTF) who employ Brooks Macdonald Asset Management (BMAM) to manage the portfolio on a discretionary basis. The objective for the portfolio is to achieve a balance between income and growth subject to a medium/high degree of risk. In February 2015, a Memorandum of Understanding (MoU) was approved by Trustees of both EVOC and ELTF. The MoU formalises the relationship between the parties and sets out their respective roles and responsibilities. This MoU, which is reviewed annually, recognises that EVOC is accessing the expertise and experience of ELTF to ensure the best return on capital financial investment. The MoU commits ELTF to inform EVOC annually of the risk management and ethical investment strategies and consider EVOC's feedback when reviewing these strategies. The ethical investment policy specifies that investment in companies known to be directly involved with tobacco or weapons is excluded. The relevant targets for the portfolio were met during the year and ELTF's Trustees continue to receive quarterly reports on the Fund performance. ELTF Trustees meet with the Fund managers at least quarterly to review performance. The investment policy is reviewed annually.

### Reserves Policy

EVOC has a reserves policy to meet the ongoing needs of the charity, details of which are set out below. The Directors are satisfied that the current level of reserves is appropriate to meet operational expenditure and development costs not available through project funding and to meet the cost of unexpected or exceptional items that may arise.

During the year EVOC operated three designated funds as follows:

Fixed Asset Reserve	Amount invested in investment property and is therefore not available for alternative use
Reserve for Operational Contingencies	Amount set aside to meet the cost of operational contingencies including internal change and moves to other office premises.

## **Edinburgh Voluntary Organisations Council**

### **Directors' Annual Report (continued)**

#### **Reserves Policy (continued)**

Reserve for Employment Contingencies	Amount used to cover any costs incurred associated with staff employment issues and staff training and development
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The Board considered the level of each designated fund at the year-end. At 31 March 2018, total designated reserves were £235,000 (2017: £191,214). Total general funds were £159,017 (2017: £136,203). The Board aims to have sufficient reserves to cover at least three months' normal operating costs. The reserves policy is reviewed annually. Details of reserves held under each fund are shown in Note 21 on pages 28 to 31.

#### **Reference and Administrative Details**

##### **Board of Directors**

Joan Fraser	Convenor
Paul Drury*	Vice-Convenor Retired 31 August 2017
Adam Cobham	Treasurer
Jan-Bert van den Berg*	Vice-Convenor Appointed Vice-Convenor 21 November 2017
Andrew Marshall-Roberts	
Chris Smith	
Rhona Hunter*	
Gwenn McCreath*	
Jenny MacDonald*	
Pamela Beattie*	Appointed 29 August 2017
Dr Carole Kelly*	Appointed 07 November 2017
Vicki Ridley*	Retired 31 July 2017
Flora Henderson*	Retired 31 July 2017
Anne Jackson	Retired 07 November 2017

\* Directors elected from the membership of EVOC

# Edinburgh Voluntary Organisations Council

## Directors' Annual Report

### Reference and Administrative Details (continued)

#### **Senior Management**

Ella Simpson

Chief Executive

Ian Brooke

Deputy Chief Executive

#### **Principal Office**

14 Ashley Place

Edinburgh

EH6 5PX

#### **Auditor**

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

#### **Solicitors**

Lindsays

Caledonian Exchange

19A Canning Street

Edinburgh

EH3 8HE

#### **Investment Managers**

Brooks Macdonald Asset Management

10 Melville Crescent

Edinburgh

EH3 7LU

#### **Bankers**

The Royal Bank of Scotland

142-144 Princess Street

Edinburgh

EH2 4EQ

# Edinburgh Voluntary Organisations Council

## Directors' Annual Report

### Structure Governance & Management

#### **Governing Document**

EVOC is a company limited by guarantee governed by a Memorandum and Articles of Association dated 18 March 1997 as amended by the revised Articles of Association which were approved at the Annual General Meeting (AGM) held on 11 November 2014 and slightly amended at the AGM on 10 November 2015.

#### **Appointment of Directors**

The maximum number of Directors of the Board is thirteen of which up to nine shall be Member Directors drawn from the membership of EVOC. Appointed Directors (who need not be from the membership of EVOC) can be appointed to supplement the skills, knowledge and experience of the Board. The number of Appointed Directors must be fewer than the number of Member Directors. All appointments are subject to approval at the AGM. Directors are appointed for a term of up to three years and may be re-appointed for a further period of up to three years and only in exceptional circumstances can this be further extended for up to another three years.

#### **Director Induction and Training**

An induction programme and pack for new Directors is in place and is operational. Training on aspects of governance is provided for the Board of Directors on a rolling programme as needed after each AGM or by attendance at a training course. Other opportunities for training are identified as they arise.

#### **Related Parties**

ELTF, was established in 2001 to manage and administer a number of trusts which were previously managed by EVOC. ELTF operates under the rules of its Trust Deed dated 24 January 2001 and Supplemental Deed of Trust dated 18 February 2015. The Trustees of ELTF, who are appointed under the terms of the Trust Deeds, are responsible for the management of the Trust. EVOC may appoint up to four Trustees of ELTF, at any one time, from the EVOC Board provided that the majority of Trustees are independent of EVOC in accordance with ELTF's constitution. At the end of the year two of the Trustees of ELTF were EVOC appointees

Further details of related parties can be found in the notes to the accounts.

#### **Charity Structure**

The Board of Directors appoint a Finance & Resources Committee, which reports directly to the Board and does not have executive decision making powers. This Committee met quarterly during the year and provided reports and recommendations for the Board to consider and approve at its quarterly meetings.

#### **Pay Policy for Senior Staff**

The Board of Directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating EVOC on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year.

The pay of senior staff is on a scale previously agreed for the grade of the post.

# **Edinburgh Voluntary Organisations Council**

## **Directors' Annual Report**

### **Structure Governance & Management (continued)**

#### **Risk Management**

The Directors have a Risk Management strategy which comprises:

- Maintaining an active Risk Register that is reviewed in detail annually by the Board, including ratings assigned to the likelihood and impact of all identified risks.
- Conducting a six-monthly review of all high-rated risks, whose combined scores are above an agreed level, and determining whether these scores have changed and whether further action steps are required.
- The Risk Register includes details of all current and planned systems and processes in place to mitigate the effect of these risks.

This work has identified that financial sustainability is the major financial and operational risk faced by the charity. The main measure taken to protect the charity's ongoing financial sustainability has involved negotiating strategic longer-term funding agreements with our local authority partner.

#### **Statement of the Directors' Responsibilities**

The Directors, who are also Trustees of EVOC for the purposes of charity law, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the 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 of the Charities SORP 2015 (FRS 102);
- make judgements and 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 company will continue in operation.

## **Edinburgh Voluntary Organisations Council**

### **Directors' Annual Report**

#### **Statement of the Directors' Responsibilities (continued)**

The Directors are responsible for keeping adequate accounting records that 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 Trustees Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible also for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP) FRS 102, effective 1 January 2015, Charities Accounts (Scotland) Regulations 2006 and in accordance with the Companies Act 2006 relating to small entities.

Approved by the Directors on 28<sup>th</sup> August 2018 and signed on their behalf by:

Joan Fraser  
*Convenor*

## Edinburgh Voluntary Organisations Council

### Independent Auditor's Report to the Directors and Members Of Edinburgh Voluntary Organisations' Council

#### Opinion

We have audited the financial statements of Edinburgh Voluntary Organisations' Council (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and 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 financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Edinburgh Voluntary Organisations Council

### Independent Auditor's Report to the Directors and Members Of Edinburgh Voluntary Organisations' Council (Continued)

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Annual Report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our 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.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

## Edinburgh Voluntary Organisations Council

### Independent Auditor's Report to the Directors and Members Of Edinburgh Voluntary Organisations' Council (Continued)

#### **Matters on which we are required to report by exception (continued)**

- the Directors 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 Directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on pages 12 and 13, the Directors (who are also the trustees of the charitable company for the purposes of charity 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 Directors 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 Directors 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 Directors 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 regulations made under those Acts.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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 Directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than

## **Edinburgh Voluntary Organisations Council**

### **Independent Auditor's Report to the Directors and Members Of Edinburgh Voluntary Organisations' Council (Continued)**

#### **Use of our report (continued)**

the charitable company, the charitable company's members as a body and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Malcolm Beveridge CA (Senior Statutory Auditor)

for and on behalf of  
Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

27 September 2018

**Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006**

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds	Restricted Funds	Total 2018	Unrestricted Funds	Restricted Funds	Total 2017
		£	£	£	£	£	£
<b>Income from</b>							
Donations and legacies	4	3,400	123,868	<b>127,268</b>	3,465	109,000	<b>112,465</b>
Other trading activities	5	78,043	-	<b>78,043</b>	83,164	-	<b>83,164</b>
Investments	6	5,743	-	<b>5,743</b>	5,651	-	<b>5,651</b>
Charitable activities	7	56,968	1,721,831	<b>1,778,799</b>	27,393	1,601,866	<b>1,629,259</b>
<b>Total income and endowments</b>		<b>144,154</b>	<b>1,845,699</b>	<b>1,989,853</b>	<b>119,673</b>	<b>1,710,866</b>	<b>1,830,539</b>
<b>Expenditure on</b>							
Raising funds	8	2,599	-	<b>2,599</b>	2,303	-	<b>2,303</b>
Charitable activities	9	79,681	1,730,809	<b>1,810,490</b>	101,553	1,720,644	<b>1,822,197</b>
Other expenditure	20	(22,000)	-	<b>(22,000)</b>	(10,000)	-	<b>(10,000)</b>
<b>Total resources expended</b>		<b>60,280</b>	<b>1,730,809</b>	<b>1,791,089</b>	<b>93,856</b>	<b>1,720,644</b>	<b>1,814,500</b>
Net (losses)/gains on investments	16	(12)	-	<b>(12)</b>	26,062	-	<b>26,062</b>
<b>Net income</b>		<b>83,862</b>	<b>114,890</b>	<b>198,752</b>	<b>51,879</b>	<b>(9,778)</b>	<b>42,101</b>
<b>Transfers between funds</b>	21	<b>(17,262)</b>	<b>17,262</b>	<b>-</b>	<b>(22,237)</b>	<b>22,237</b>	<b>-</b>
<b>Net movement in funds</b>		<b>66,600</b>	<b>132,152</b>	<b>198,752</b>	<b>29,642</b>	<b>12,459</b>	<b>42,101</b>
<b>Total funds brought forward</b>		<b>327,417</b>	<b>145,813</b>	<b>473,230</b>	<b>297,775</b>	<b>133,354</b>	<b>431,129</b>
<b>Total funds carried forward</b>		<b>394,017</b>	<b>277,965</b>	<b>671,982</b>	<b>327,417</b>	<b>145,813</b>	<b>473,230</b>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 21 to 31 form part of these financial statements.

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	15	4,356	7,817
Investment property	15	110,000	110,000
<b>Total fixed assets</b>		<u>114,356</u>	<u>117,817</u>
<b>Current assets</b>			
Investments	16	208,635	207,465
Debtors	17	35,226	56,897
Cash at bank and in hand		<u>661,515</u>	<u>505,963</u>
<b>Total current assets</b>		<b>905,376</b>	<b>770,325</b>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	18	<u>177,750</u>	<u>222,912</u>
<b>Net current assets</b>		<u>727,626</u>	<u>547,413</u>
<b>Total assets less current liabilities</b>		<b>841,982</b>	<b>665,230</b>
Pension liabilities: amounts falling due after more than one year	20	170,000	192,000
<b>Net assets</b>		<u><u>671,982</u></u>	<u><u>473,230</u></u>
<b>The funds of the charity:</b>			
Unrestricted income funds - General fund	21	159,017	136,203
Unrestricted income funds - Designated funds	21	235,000	191,214
Restricted funds	21	277,965	145,813
		<u><u>671,982</u></u>	<u><u>473,230</u></u>

The financial statements were approved by the Directors on:  
and signed on their behalf by: 28 August 2018

Joan Fraser  
*Convenor*

Company Number: SC173582

The notes on pages 21 to 31 form part of these financial statements.

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Net cash used in/(provided by) operating activities</b>	<i>see below</i>		151,670		(97,155)
<b>Cash flows from investing activities</b>					
Income from investments		5,743		5,651	
Proceeds from sale of investments		60,380		47,747	
Purchase of investments		(61,563)		(41,087)	
Purchase of tangible assets		(679)		-	
<b>Net cash used in investing activities</b>			3,881		12,311
<b>Change in cash and cash equivalents in the year</b>			155,551		(84,844)
<b>Cash and cash equivalents brought forward</b>			505,963		590,807
<b>Cash and cash equivalents carried forward</b>			<u>661,514</u>		<u>505,963</u>
<b>Reconciliation of net expenditure to cash flow from operating activities</b>					
			<b>2018</b> £		<b>2017</b> £
<b>Net income for the year</b>			198,752		42,101
<b>Adjustments for:</b>					
Deduct income shown in investing activities			(5,743)		(5,651)
Net losses/(gains) on investments			12		(26,062)
Depreciation charge on tangible assets			4,140		5,160
Decrease in debtors			21,671		215,306
(Decrease) in creditors			(45,162)		(318,009)
(Decrease)/increase in amounts falling due in more than one year			(22,000)		(10,000)
<b>Net cash provided by/(used in) operating activities</b>			<u>151,670</u>		<u>(97,155)</u>

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

#### Public Benefit

EVOG meets the definition of a public benefit entity under FRS102.

#### Functional Currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements the results are presented in Sterling (£).

#### Preparation of the accounts on a going concern basis.

The charity reported a net cash inflow of £155,551 for the year. The directors have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the Board for particular purposes (see note 21).

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

#### Incoming resources

All incoming resources are included in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. The following policies are applied to particular categories of income:

- Income from donations and legacies is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from investments is included in the statement of financial activities in the year in which it is receivable. Income from dividends is recognised at the date it is declared.
- Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, normally upon notification of interest paid by the Bank.
- Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

#### Resources expended

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

- Costs of generating funds comprise the costs associated with attracting membership income and the costs of property maintenance.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and include the audit fees.
- Other expenditure includes the net costs of movements in long-term pension liabilities.
- All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, overheads are apportioned on an appropriate basis e.g. per full time equivalent staff.

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. Accounting policies - continued

#### Grants Payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the organisation and are included in other direct project costs (note 9).

In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient reasonable expectation that they will receive the grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. The charity does not normally make multi-year grants, but should these occur, a provision for the grant is recognised at its present value where: settlement is due over more than one year from the date of the award; there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payment(s); settlement is probable and the effect of discounting is material. The discount rate is regarded by the directors as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the charity.

#### Operating Leases

Rentals are paid and charged to the statement of financial activities on a straight line basis over the lease term.

#### Tangible fixed assets

Individual fixed assets costing more than £1,000 are capitalised at cost.

Tangible assets are depreciated on a straight line basis over their useful economic lives as follows:

<i>Tenant's improvements</i>	10%
<i>Office equipment</i>	25%
<i>Fixtures and fittings</i>	33%
<i>Software and systems</i>	33%

Investment property is not depreciated and is professionally valued every 5 years.

An impairment review of all assets is carried out on an annual basis.

#### Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. Accounting policies (continued)

#### Investments (continued)

The charity does not acquire put options, derivatives of other complex financial instruments. The main form of financial risk faced by EVOC is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

EVOC's investments form a small part of a diversified portfolio managed on their behalf by the Trustees of ELTF who employ Brooks Macdonald Asset Management to manage the portfolio on a discretionary basis. All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value.

The investments are included within current assets as it is the opinion of the Directors that rather than being endowment funds these funds are available to meet the working capital requirements of the charity if necessary.

#### Deferred income policy

When funders specify the grants given to the charity cover future accounting periods, the income is deferred until those periods, provided that the related expenditure could not be incurred in the period of these accounts.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Creditors

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

#### Pensions

EVOC employees are entitled to join a defined contribution scheme. The assets of this scheme are held separately from those of EVOC in independently administered funds. The pension charge represents contributions payable by EVOC. Details of our membership of The Pensions Trust Growth Plan, a defined benefit scheme are included in Note 14.

### 2. Legal status of charity

EVOC is a company limited by guarantee and a registered charity.

### 3. Related party transactions

Ella Simpson, Chief Executive, is also a director of Stand International Limited, a charitable company to whom desk space is rented. Total income during the year amounted to £1,800 (2017: 1,800) with £450 (2017: nil) outstanding at the year end.

ELTF was established in 2001 to manage and administer a number of trusts which were previously managed by EVOC. ELTF pay EVOC an administration fee to operate the activities of ELTF which amounted to £50,213 (2017: £58,593).

ELTF manages an investment portfolio in which EVOC holds 3.17%. Any changes to the market value of this portfolio, including realised and unrealised gains or losses on investments is transferred to EVOC in accordance with the MOU previously mentioned.

At the end of the financial year, the amount owed to EVOC by ELTF was £19,280 (2017: £18,336). This amount is included in other debtors.

A number of Directors are involved in the management of other charities who are in receipt of grant funding from EVOC, however, no Director takes an active role in the decision making process in relation to any external grant administered by EVOC.

## EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Donations and legacies	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Scottish Government Core TSI Grant	-	123,868	123,868	-	109,000	109,000
Membership fees	3,400	-	3,400	3,465	-	3,465
	<u>3,400</u>	<u>123,868</u>	<u>127,268</u>	<u>3,465</u>	<u>109,000</u>	<u>112,465</u>

  

5. Other trading activities	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Administrative and management services	589	-	589	185	-	185
Rental income	22,041	-	22,041	17,950	-	17,950
Seconded staff income	5,200	-	5,200	3,877	-	3,877
Administration services provided for ELTF	50,213	-	50,213	58,593	-	58,593
Other income	-	-	-	2,559	-	2,559
	<u>78,043</u>	<u>-</u>	<u>78,043</u>	<u>83,164</u>	<u>-</u>	<u>83,164</u>

  

6. Income from investments	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Bank interest	83	-	83	421	-	421
Investment income	5,660	-	5,660	5,230	-	5,230
	<u>5,743</u>	<u>-</u>	<u>5,743</u>	<u>5,651</u>	<u>-</u>	<u>5,651</u>

  

7. Income from charitable activities	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
NHS Lothian Strategic Planning, Mental Health	-	8,000	8,000	-	8,000	8,000
SCVO Community Jobs Scotland	-	11,506	11,506	-	-	-
Edinburgh TSI - Compact Voice contribution	-	3,000	3,000	-	3,000	3,000
CEC Chief Executive Strategic Partnership	-	87,081	87,081	-	87,512	87,512
CEC Communities & Families Grant	-	59,170	59,170	-	59,170	59,170
Capital City Partnership Making it Work	-	4,200	4,200	-	8,400	8,400
EIJB Core SLA	-	150,681	150,681	-	150,682	150,682
EIJB Substance Users Network Edinburgh	-	(1,232)	(1,232)	-	4,426	4,426
Learning at EVOC	-	23,112	23,112	-	22,530	22,530
EVOC Tailored Training Fees	-	1,040	1,040	-	1,675	1,675
BIG Lottery Fund Recovery Essentials Project	-	-	-	-	150	150
EIJB Local Opportunities for Older People (LOOPS)	-	276,795	276,795	-	276,834	276,834
Edinburgh and Lothian Health Foundation: Green Space/Art Space	-	1,050	1,050	-	10,967	10,967
EIJB Prevention Investment Fund (PIF)	-	409,450	409,450	-	409,450	409,450
Scottish Government Community Link Worker Programme	16,847	320,091	336,938	-	-	-
RCOP Replacing Community Transport Minibuses	-	-	-	-	156,000	156,000
Scottish Government Community Activity Mentors	14,881	47,619	62,500	-	81,471	81,471
CEC East Holiday Programme	1,750	25,750	27,500	1,750	25,750	27,500
EIJB Hospital Discharge Support	18,440	292,611	311,051	18,440	295,349	313,789
EIJB Career in Care	-	-	-	-	500	500
Other project income	5,050	1,907	6,957	7,203	-	7,203
	<u>56,968</u>	<u>1,721,831</u>	<u>1,778,799</u>	<u>27,393</u>	<u>1,601,866</u>	<u>1,629,259</u>

## EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 8. Expenditure on Raising funds

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Costs of administering membership	638	-	638	636	-	636
Costs of property management	1,961	-	1,961	1,667	-	1,667
	<u>2,599</u>	<u>-</u>	<u>2,599</u>	<u>2,303</u>	<u>-</u>	<u>2,303</u>

#### 9. Expenditure on

##### Charitable activities

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Salary costs	64,922	504,864	569,786	87,749	556,129	643,878
Other staff costs	-	19,264	19,264	971	22,594	23,565
Other direct project costs	308	1,018,460	1,018,768	725	998,345	999,070
Property costs	4,792	55,837	60,629	6,127	59,546	65,673
Administration	4,494	53,972	58,466	4,552	52,486	57,038
Professional fees	4,703	65,548	70,251	765	18,656	19,421
Bank charges	142	1,665	1,807	128	1,184	1,312
Depreciation	320	3,819	4,139	536	4,624	5,160
Governance costs (see note 10)	-	7,380	7,380	-	7,080	7,080
	<u>79,681</u>	<u>1,730,809</u>	<u>1,810,490</u>	<u>101,553</u>	<u>1,720,644</u>	<u>1,822,197</u>

#### 10. Analysis of governance costs

	2018	2017
	£	£
Legal fees	-	300
Audit fees	5,940	5,340
Pensions advice	<u>1,440</u>	<u>1,440</u>
	<u>7,380</u>	<u>7,080</u>

#### 11. Allocation of support costs

Support costs include central functions which are apportioned across projects on the basis of full time equivalent staff employed on projects.

#### 12. Directors' remuneration

No directors received any remuneration in respect of work undertaken. In the year, no travel expenses to attend meetings were reimbursed to Directors (2017: none).

#### 13. Staff costs

	2018	2017
	£	£
Gross wages and salaries	480,767	531,530
Employer's national insurance contributions	40,738	45,982
Employer's pension contributions	29,537	29,212
Pension deficit contributions paid to The Pensions Trust Growth Plan	21,343	20,671
Settlement agreement	-	18,786
	<u>572,385</u>	<u>646,181</u>

The average number of employees of EVOC in the year to 31 March 2018 was 21 (2017: 21.5).

One employee received emoluments in the range £60,000 to £70,000 (2017: one).

The key management personnel of the charity comprise the Directors, chief executive and the deputy chief executive whose employee benefits total £128,001 (2017: £144,515 included a post which is now an outsourced function).

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 14. Pension costs

#### Defined Contribution Scheme

EVOC employees are entitled to join a Group Personal Pension Scheme, a defined contributions scheme, administered by Scottish Widows' Fund. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. The assets of these schemes are held separately from those of EVOC in independently administered funds. One employee is a member of The Pensions Trust Retirement Solutions (TPT) Growth Plan Series 4 to avoid crystallisation of the estimated employer debt on withdrawal from the defined benefit scheme outlined below. TPT Growth Plan Series 4 is a defined contribution scheme into which EVOC makes minimum contributions. The pension charge represents contributions paid by EVOC amounting to £29,537 (2017: £29,212). Pension contributions outstanding at 31 March 2018 were £4,430 (2017: £5,191).

#### Defined Benefit Scheme

EVOC were also members of TPT Retirement Solutions - The Growth Plan Series 1,2 and 3 defined benefit schemes. Following a change in legislation there is a potential debt on EVOC that could be levied by the Trustees of the Plan. The debt is due in the event of EVOC ceasing to participate in the scheme or the scheme winding up. The directors have been notified by TPT of the estimated employer debt on withdrawal from the scheme based on the financial position of the scheme as at 30 September 2017. As of this date the estimated employer debt was £300,851 (estimated employer debt at 30 September 2016: £343,751). The Directors have taken steps to ensure that EVOC does not cease to participate.

EVOC has paid deficit contributions of £21,343 for the year ended 31 March 2018 and EVOC has been advised that this amount will increase to £21,930 per annum from 1st April 2018. The Directors do not intend to withdraw from this scheme.

Following the introduction of FRS 102 SORP, there is a requirement to recognise on the balance sheet the net present value of agreed deficit funding contributions and full details are included in Note 20.

15. Fixed assets	Investment	Tenant's	Office	Fixtures &	Software	Total
	property	improvements	equipment	fittings	& Systems	
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2017	110,000	59,729	21,678	26,097	9,737	227,241
Additions	-	-	679	-	-	679
Disposals	-	-	(1,430)	-	-	(1,430)
<b>At 31 March 2018</b>	<b>110,000</b>	<b>59,729</b>	<b>20,927</b>	<b>26,097</b>	<b>9,737</b>	<b>226,490</b>
<b>Depreciation</b>						
At 1 April 2017	-	59,729	13,861	26,097	9,737	109,424
Charge for the year	-	-	4,140	-	-	4,140
Disposals	-	-	(1,430)	-	-	(1,430)
<b>At 31 March 2018</b>	<b>-</b>	<b>59,729</b>	<b>16,571</b>	<b>26,097</b>	<b>9,737</b>	<b>112,134</b>
<b>Net book value</b>						
<b>At 31 March 2018</b>	<b>110,000</b>	<b>-</b>	<b>4,356</b>	<b>-</b>	<b>-</b>	<b>114,356</b>
At 31 March 2017	110,000	-	7,817	-	-	117,817

		£
Investment property comprises:	Cost	3,181
	Revaluation gain in 1989	63,751
	Revaluation gain in 2009	83,068
	Revaluation loss in 2014	(40,000)
		<u>110,000</u>

Investment property was revalued on 27th March 2014 by D M Hall, Chartered Surveyors, at a value of £110,000.

The valuation is deemed to be the market value and has been undertaken in accordance with the RICS Appraisal and Valuation Manual. The directors are satisfied there has been no evidence of impairment in the year ended 31 March 2018.

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 16. Investments

	2018	2017
	£	£
Market value at beginning of the year	207,465	188,063
Additions to investments at cost	61,563	41,087
Proceeds on disposal of investments	(60,381)	(47,747)
Net realised (loss) on disposal of investments	(1,365)	(75)
Net increase in market value on revaluation	1,353	26,137
<b>Market value at end of year</b>	<b>208,635</b>	<b>207,465</b>
Historic cost as at 31 March:	<b>177,812</b>	<b>172,206</b>

### Analysis of investments

	2018	2017
	£	£
UK investments	103,569	151,686
Non-UK investments	105,066	55,779
	<b>208,635</b>	<b>207,465</b>

At 31 March 2018 there were no investments whose value exceeded 5% of the total portfolio (2017: nil).

All investments are carried at their fair value. Investments in equities and fixed securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to their market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost.

The main risk to the charity from financial instruments lies in the uncertain investment markets caused by the extraordinary monetary policy of negative interest rates in many parts of the world, as central banks attempt to reinvigorate their economies.

The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

EVOC's investments form a small part of a diversified portfolio managed on their behalf by the Trustees of ELTF who employ Brooks Macdonald Asset Management to manage the portfolio on a discretionary basis.

### 17. Debtors and prepayments

	2018	2017
	£	£
Trade Debtors	10,808	17,229
ELTF	19,280	18,336
Other debtors	-	6,532
Prepayments	5,138	14,800
	<b>35,226</b>	<b>56,897</b>

### 18. Creditors: amounts falling due within one year

	2018	2,017
	£	£
Trade Creditors	9,060	16,375
Deferred income	Note 19	120,375
Accruals	32,511	8,843
Tax, National Insurance and Pension contributions	15,756	18,763
Other creditors	48	92
	<b>177,750</b>	<b>222,912</b>

# EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 19. Deferred Income

Deferred income comprises income for projects and services due to commence in future accounting periods, or where other conditions have not been met which prevent income being recognised.

	2018	2017
	£	£
Balance as at 1 April 2017	178,839	486,895
Amounts released to income earned from charitable activities	(85,339)	(433,395)
Amounts deferred in the year	26,875	125,339
Balance as at 31 March 2018	<u>120,375</u>	<u>178,839</u>

### 20. Pension liabilities: amounts falling due after more than one year

	2018	2017
	£	£
Provision at beginning of the year	192,000	202,000
Unwinding of the discount factor (interest expense)	1,000	5,000
Deficit contribution paid	(21,000)	(21,000)
Remeasurements - impact of any change in assumptions	(2,000)	6,000
Provision at end of the year	<u>170,000</u>	<u>192,000</u>
Unwinding of the discount factor (interest expense)	1,000	5,000
Deficit contribution paid	(21,000)	(21,000)
Remeasurements - impact of any change in assumptions	(2,000)	6,000
Other Expenditure - charged to the Statement of Financial Activities	<u>(22,000)</u>	<u>(10,000)</u>

### 21. Analysis of charitable funds

	Balance at 1 April 2017	Incoming resources	Resources expended, gains and losses	Transfers	Balance at 31 March 2018
	£	£	£	£	£
General fund	136,203	144,154	(60,292)	(61,048)	159,017

### Analysis of unrestricted designated fund movements

	Balance at 1 April 2017	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Fixed asset reserve	110,000	-	-	-	110,000
Reserve for operational contingencies	50,000	-	-	25,000	75,000
Reserve for employment contingencies	31,214	-	-	18,786	50,000
	<u>191,214</u>	<u>-</u>	<u>-</u>	<u>43,786</u>	<u>235,000</u>

## EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 21. Analysis of charitable funds (continued)

##### Unrestricted and designated funds

Name of fund	Description, nature and purposes of the fund
General fund	The general fund represents the unrestricted funds which the Board is free to use in accordance with charitable activities.
Fixed asset reserve	The amount of funds invested in investment property and therefore not available for use.
Reserve operational contingencies	The amount set aside to meet the cost of operational contingencies including the cost of implementing internal changes and moves to other office premises.
Reserve for employment contingencies	The amount held to be used to cover any costs incurred associated with staff employment issues, staff training, development and redundancy costs.

Analysis of restricted fund movements	Balance at			Transfers	Balance at
	31 March 2017	Incoming Resources	Resources expended		31 March 2018
	£	£	£	£	£
Scottish Government TSI Core Grant	-	123,868	(123,868)	-	-
SCVO Community Jobs Scotland	-	11,506	(11,506)	-	-
NHS Lothian Strategic Planning, Mental Health	-	8,000	(8,000)	-	-
CEC Chief Executive Strategic Partnership	818	87,081	(87,486)	-	413
Edinburgh TSI: Compact Voice contribution	-	3,000	(1,107)	-	1,893
CEC Passenger Operations	-	1,907	(2,208)	301	-
CEC Communities & Families Grant	6,684	59,170	(72,135)	6,281	-
Capital City Partnership Making it Work	-	4,200	(4,200)	-	-
Learning at EVOG	-	24,152	(24,152)	-	-
EIJB Core SLA	-	150,681	(160,129)	9,448	-
EIJB Substance Users Network Edinburgh	-	(1,232)	-	1,232	-
EIJB Local Opportunities for Older People (LOOPS)	42,579	276,795	(286,050)	-	33,324
Edinburgh and Lothian Health Foundation: Green Space/Art Space	3,276	1,050	(2,509)	-	1,817
EIJB Prevention Investment Fund (PIF)	20,534	409,450	(375,421)	-	54,563
Scottish Government Community Activity Mentors	42,155	47,619	(70,049)	-	19,725
Scottish Government Community Link Worker Programme	-	320,091	(230,888)	-	89,203
CEC East Holiday Programme	-	25,750	(24,384)	-	1,366
EIJB Hospital Discharge Support	29,767	292,611	(246,717)	-	75,661
	<u>145,813</u>	<u>1,845,699</u>	<u>(1,730,809)</u>	<u>17,262</u>	<u>277,965</u>

## EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 21. Analysis of charitable funds (continued)

##### Restricted funds

Name of funder	Brief description of project funded
Scottish Government TSI Core Grant	Grant received to provide Council for Voluntary Services core services in Edinburgh.
SCVO Community Jobs Scotland	Grant received to provide training and experience to enable applicant to re-enter job market.
NHS Lothian Strategic Planning, Mental Health	EVOC engagement with NHSL and Edinburgh Health & Social Care Partnership mental health services, planning and developments.
CEC Chief Executive Strategic Partnership Edinburgh TSI: Compact Voice contribution	EVOC acts as secretariat for the Edinburgh Compact and Publication of the annual Compact Vouice survey of the state of the third sector
CEC Communities & Families Grant	EVOC provides information, policy development and networking services to organisations working with children, young people and families.
Capital City Partnership: Making It Work	EVOC provides an administration and development service for the "Making It Work" Partnership.
EIJB Core SLA	Capacity building, development and promotion of the interests of social care organisations in Edinburgh.
EIJB Substance Users Network Edinburgh	EVOC supports the SUNE network, which facilitates joint working amongst various agencies dealing with alcohol and drug Users in Edinburgh.
Learning at EVOC	Funds received to develop and deliver our programme of general training courses.
EIJB Local Opportunities for Older People (LOOPS)	EVOC co-ordinates a grants programme for the delivery of community navigation by service providers working with older people.
Edinburgh and Lothian Health Foundation: Green Space/Art Space	Support for the "Green Space - Art Space" project, which is part of the reprovisioning of The Royal Edinburgh Hospital.
EIJB Prevention Investment Fund (PIF)	As part of the Scottish Government's plans for "Reshaping Care for Older People", EVOC is administering a grants programme focussing on prevention.
Scottish Government Community Activity Mentors	EVOC is hosting a new project that liaises with NHS primary care teams to identify community resources and activities that may be helpful to their patients.
CEC East Holiday Programme	EVOC co-ordinates a consortium of youth providers in the greater Craigmillar area to provide holiday play schemes.
EIJB Hospital Discharge Support	Edinburgh Integration Joint Board funds this programme of work to support integrated teams of hopsital liaison and discharge staff working with Statutory Sector colleagues.
Scottish Government - Community Link Worker Programme	EVOC administers a grants programme that funds Edinburgh third sector organisations to liaise with NHS primary care teams to identify community resources and activities that may be helpful to their patients.
CEC Passenger Operations	EVOC is working with community transport officers to redesign : within the community

## EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 21. Analysis of charitable funds (continued)

##### Transfers between funds

From fund	To fund	Reason	2018 £	2017 £
Unrestricted Funds	Restricted Funds	A transfer from the unrestricted fund has been made to eliminate the deficit on the following funds:		
		CEC Substance Users Network Edinburgh	1,232	-
		CEC Passenger Operations	301	-
		CEC Department of Health & Social Care fund	9,448	16,910
		CEC Children and Families Network	6,281	-
		BIG Lottery Fund Recovery Essentials Project	-	2,298
		Scottish Government Core Grant	-	3,029
			<u>17,262</u>	<u>22,237</u>

#### 22. Analysis of net assets between funds

	Tangible		Net current assets	Pension deficit	Total 2018 £	Total 2017 £
	fixed assets £	Investments £				
General fund	4,356	-	324,661	(170,000)	159,017	136,203
Designated funds	-	110,000	125,000	-	235,000	191,214
Restricted funds	-	-	277,965	-	277,965	145,813
	<u>4,356</u>	<u>110,000</u>	<u>727,626</u>	<u>(170,000)</u>	<u>671,982</u>	<u>473,230</u>

#### 23. Lease commitments

The charity has the following future minimum operating lease commitments:

Operating leases	2018 £	2017 £
Within one year	22,000	52,000
Between one and five years	<u>12,000</u>	<u>51,000</u>

#### 24. Capital commitments

At 31 March 2018 the charity had no capital expenditure commitments (2017: £nil).