

**ROYAL VOLUNTARY SERVICE**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDING 28 March 2021**

**CHARITY NUMBER: 1015988**

**CHARITY NUMBER (SCOTLAND): SCO38924**

**COMPANY NUMBER: 2520413**

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We are pleased to present Royal Voluntary Service's Trustees' Annual Report and Financial Statements for 2020-21.

## **Letter from our Chair, Stephen Dunmore and CEO, Catherine Johnstone CBE**

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In 2020 Royal Voluntary Service faced its second major challenge since its inception over 80 years ago. Founded just before WWII, we were established to support our communities through the hardships of the coming war. This past year has once again seen our volunteers called forward in vast numbers to support our nation in crisis. They have done us proud and risen to each new challenge. The battle against coronavirus is still being waged as we write, but the contribution of volunteers to supporting our local communities and the NHS through this period of loss, illness and 'lives on hold' is remarkable. Now they are helping forge the route out of this crisis through support for the mass vaccination programme.

Volunteers have shown themselves as a force for good. In excess of 4.6 million have joined for the very first time, learning as they go that the benefits of volunteering are a two-way street. It is estimated that over 12.4 million people have volunteered in some way during COVID 19. This dynamic and diverse group of people have contributed so much and our civic society has been strengthened amid adversity. It is unthinkable that we would want to give up these gains when the virus loosens its grip. At Royal Voluntary Service we are working hard to make sure this opportunity is not lost.

Our mission is to inspire the gift of voluntary service to meet the needs of the day. In the third year of our strategic plan we have accelerated the pace of progress in our charity against all our key outcomes.

In response to the pandemic we were commissioned by NHS England to establish NHS Volunteer Responders, an innovative micro-volunteering programme designed to support the NHS and protect the vulnerable during COVID 19. Run in partnership with GoodSAM, the mobile app-based scheme is now a year old and has provided help to vulnerable clients or those needing to self-isolate over 1.6m times with 400,000 volunteers actively involved. We are very proud of this achievement and the commitment of hundreds of thousands of NHS Volunteer Responders.

Just before Christmas, as the prospect of a vaccination roll-out came into view, we were asked again to rally and mobilise volunteers. Seventy thousand volunteers raised their hands to get involved as Steward Volunteers. In parallel we were proud to collaborate with St John Ambulance to support their recruitment of thirty thousand clinical volunteers. Jointly, these hundred thousand volunteers have become an emblem of the vaccination programme, offering friendly assistance to so many as we edge closer to the freedoms we once took for granted.

A hallmark of the year has been the diversity and adaptability of our services. We have run large scale nationally co-ordinated programmes, while continuing to deliver our local services to our regular clients. These services have been counted on by many in need, changed in shape to be COVID 19 safe, yet still delivering real impact. From welfare phone calls to food packs, to fish and chip deliveries, to digital dementia services, they have proven to be a lifeline.

Our team has been flexible and resilient throughout – embracing the new and willing to dig deep to keep vital support going for our vulnerable clients. We are grateful to staff who have shown

real patience through furlough as well as to those who have worked long hours on the frontline. Challenging times often spark the best innovations. With our community-based group activities shut, we built our Virtual Village Hall, opening its digital doors as the pandemic took hold. It has allowed many of those shielding from the virus to meet, and to engage in a wide range of life-enhancing activities – from dance to crafts to cookery.

Throughout this year, the profile of Royal Voluntary Service has grown and valuable partnerships have been built. We believe we are ‘stronger together’ and have joined forces with others in our sector to consider the shape of volunteering in future beyond COVID 19 and to develop a volunteer passport in health, care and community. We have continued to build the knowledge base too, through insight sharing and thought-leadership - in March we published a report on ‘Volunteering, COVID and Integrated Care’ in partnership with Public Policy Projects.

New corporate partners have come forward and our wonderful long-term supporters have been flexible, generous and considerate. We would like to note specifically the invaluable support given by players of People’s Postcode Lottery, M&G Prudential, Asda Foundation and Julia and Hans Rausing.

We are honoured to have been supported by members of the Royal Family throughout the year. Their Royal Highnesses the Duke & Duchess of Cambridge, our President HRH the Duchess of Cornwall and our Patron Her Majesty the Queen have all taken time to support the work of our volunteers. This has meant a great deal to them and to us.

As we enter a new financial year, we have updated our current strategy to meet the ongoing challenges of the COVID 19 response and the recovery period to come. We have reduced our strategic outcomes from 5 to 3 to give greater focus, with work centred on mobilising volunteers to support the NHS and integrated health and care systems. We will prioritise communities where social deprivation is present and where health inequalities are embedded. These communities have suffered disproportionately through COVID 19 although circumstances were already worsening before the crisis hit.

We will need an energised, deeper and broader civic society if we are to rebuild our communities effectively. We must seize the moment. Volunteering has been in the spotlight and newcomers from all backgrounds have been inspired to action – the prize is there for the taking.

We are thankful to our leadership team, all our wonderful staff and, most importantly, our volunteers for their incredible service.

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**Stephen Dunmore, OBE, Chair**

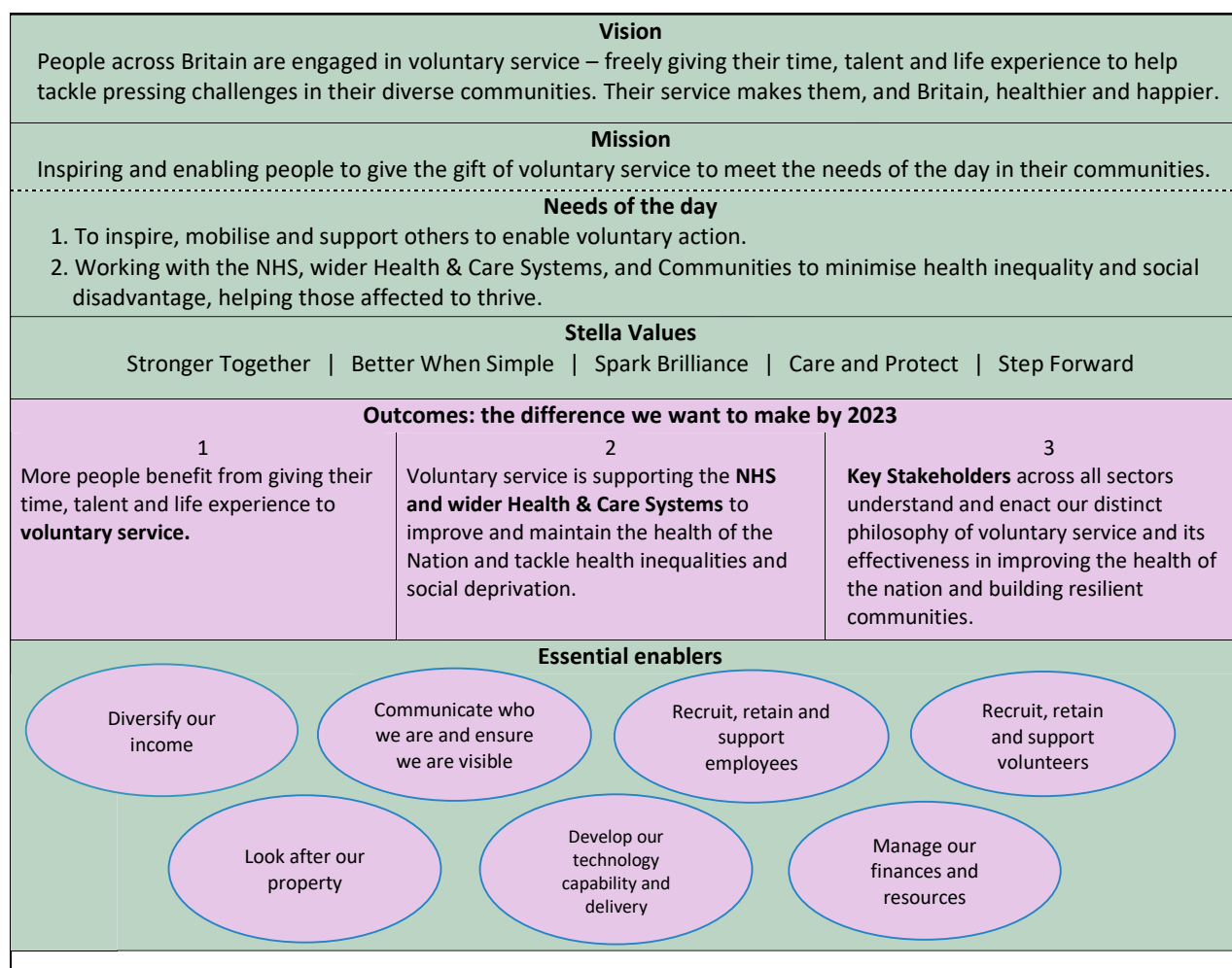
A handwritten signature in black ink, featuring a large, stylized 'C' followed by the name 'Johnstone' in a cursive script.

**Catherine Johnstone CBE, CEO**

# Trustees' Report, including Strategic Report

## Our Vision, Mission and Values

Royal Voluntary Service puts voluntary service at the heart of our purpose. Like our founders, we will be prepared to address the needs of the day whatever they are.



## Making a Difference

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In 2020-21 – through the adversity of the COVID 19 pandemic - we stepped forward and made good progress across all outcomes referenced in our strategic framework. The clear relevance of Royal Voluntary Service's mission – 'to inspire and enable voluntary service to meet the needs of the day' has ensured we have been able to play a central role in the nation's response to COVID 19. For our next financial period (2021-22) we have updated our strategy to put greater focus on health and well-being goals and health inequalities. This will enable us to focus on COVID 19 recovery and our next annual report will use this as its reference point. The strategic period has been extended to 2024. For the financial year 2020-21 we have commented on the five outcomes that we reported on in the year.

### **1. More people are giving their time, talent and life experience to voluntary service**

#### **What we have achieved in 2020-21:**

The opportunity to volunteer during the COVID 19 pandemic has been an incredibly important experience for millions. In a desperate situation, it has provided a sense of purpose, community connection and support for volunteers' own well-being. The desire to help the most vulnerable and contribute positively was widely felt and acted upon. For many, it was their first volunteering experience.

Royal Voluntary Service has been one of the largest mobilisers of volunteers through the COVID 19 pandemic .We invited volunteers to step forward not only to support programmes we run ourselves, but also on behalf of our partners and we were part of an enormous response across national and locally co-ordinated charities and mutual aid groups.

Over the year we:

Mobilised and supported 400,000 volunteers through the NHS Volunteer Responder (NHSVR) programme to support vulnerable people to stay safe and protect the NHS. From the surveys we conducted of volunteers:

- 82% said they enjoyed their volunteering
- 77% said it gave a sense of purpose
- 52% said it improved their own mental health and well-being
- 70% said they would like to continue with the programme over the next 12 months
- 20% said it was their first volunteering experience

Developed roles throughout the NHSVR programme to meet changing needs, creating training packs and adding DBS roles to support clients with greater vulnerability. We also created a portfolio of webinar-based support for volunteers on the programme to build confidence and skills. Regular bursts of advertising created inflow of new volunteer applicants.

Launched our Jobs Army campaign with The Sun newspaper and brought forward 50,000 volunteers within 2 weeks, volunteers have been enthusiastic to be part of this national endeavour.

Enabled 70,000 volunteers to step forward and offer support to the vaccination programme as steward volunteers and we rallied over 29,000 volunteer vaccinators and patient support volunteers for St John Ambulance.

Supported volunteers to join our Winter Pressures services, easing pressure on the NHS pre-admission and at hospital discharge of patients. And we assisted British Red Cross to invite NHS Volunteer Responders to join their Winter Pressures work.

Redesigned our volunteer roles in the early part of the year in our regular services to be COVID-19 safe including development of a policy on over 70s volunteering.

Provided emotional and practical support to our more vulnerable volunteers during COVID 19, many of whom were isolating at home.

Celebrated volunteer achievements and endeavour during Volunteers' Week and Christmas with events hosted in our online community hub, the 'Virtual Village Hall' and delivered our twice-yearly magazine, The Volunteer.

**In 2021-22 we will:**

- Focus on the accessibility of volunteering, making it easier to access for everyone from different backgrounds and circumstances, focussing on Equality, Diversity and Inclusion.
- Offer a flexible range of volunteering opportunities, to meet different needs
- Recruit and retain volunteers for Royal Voluntary Service roles, NHS Volunteer Responders and vaccination services and for our partners
- Communicate the compelling health and well-being benefits of volunteering
- Develop and deliver an improved volunteer management system, utilising digital technology.
- Create and implement a volunteer engagement and evaluation framework

**2. More older people move from crisis to confidence**

**What we have achieved in 2020-21:**

Through the pandemic, our regular services have proved a lifeline to our vulnerable clients who were isolating to stay safe during COVID 19. Our core services have maintained support in imaginative and highly impactful ways despite the challenges presented by restrictions. Adaptions were made to our valued, Home from Hospital services, our Dementia Support, our Healthy and Happy Lives services, Patient Transport and our Support at Home provision to make them COVID 19 safe. Through these, we maintained help for vulnerable clients through 400,000 interactions. This support has been more important than ever during 2020-21 when vulnerable people have endured extensive periods of isolation, increased anxiety and a reduction of other forms of regular support.

We have:

- Created new offerings, door-step visits, parallel walks, food pack deliveries, activity packs and we made hundreds of thousands of companionship calls and arranged peer support for carers.
- Adapted and developed our Dementia Support services, creating online groups connected through iPads, to ensure support continued remotely when group work was not possible
- Collectively these services:
  - o Supported 303,000 welfare and companionship calls
  - o Delivered 16,000 essential grocery and prescription drops
  - o Distributed over 10,000 free food packs to people in need
  - o Made 6,000 safe, socially distanced home and garden visits
  - o Undertook 20,000 home library doorstep deliveries
  - o Supported over 8,000 patient and community transport journeys
  - o Distributed over 38,000 activity packs to help keep people entertained
- Developed a prioritisation framework to assess when face to face activity could resume  
Built our stakeholder relationships providing regular communications and updates on the impact of our services
- Created our Thrive portfolio of services to support the health and well-being of people during the COVID recovery, prioritising locations with higher levels of health inequality and social deprivation.
- Through our work in Services Welfare, we supported 202,000 young unaccompanied soldiers on their army bases when conditions allowed and following social distancing guidelines.

In 2021-22 we will report activity in this area against our new outcome, 'Voluntary service is supporting the NHS and wider Health & Care systems to improve and maintain the health of the nation and tackle health inequalities'.

### **3. Enabling the NHS to maximise the gift of voluntary service to make more time to care**

#### **What we have achieved in 2020-21:**

During the year our partnership with the NHS has accelerated significantly as we worked at speed and at scale to deliver our COVID 19 response. We are proud of the work our staff and volunteers have done to protect the NHS, while keeping vulnerable people safe from the virus.

The NHS Volunteer Responders programme was commissioned by NHS England and launched in April 2020. Developed as a three-way partnership between Royal Voluntary Service, NHS England and GoodSAM it is the first micro-volunteering, app-based scheme of its kind allowing volunteers to pick up tasks in real time via their smart phone. The technology dynamically matches the nearest volunteer 'on duty' with a local person needing help. This new style of volunteering has caught the imagination of the public and commentators. Much of the year has been spent in the media spotlight.



The scheme has continued to evolve, proving itself to be highly adaptive as new requirements have been introduced, including the need to dispatch Pulse Oximeters to patients being treated for COVID 19 symptoms at home.

In December 2020 we were asked to support the vaccination roll-out across England through the scheme, helping vaccination sites to organise patient flow, offering reassurance and supporting social distancing.

Beyond NHS Volunteer Responders we have supported the NHS in England through Winter Pressures. Each year demand rises in winter within NHS Trusts, and through COVID 19 there was extra complexity. Royal Voluntary Service was asked to provide winter pressure support via volunteer services in 21 locations across the country.

Meanwhile, our retail outlets in hospitals were impacted by COVID 19 with the large majority paused for significant parts of the year. However, by March 2021 many had reopened to support patients and NHS teams with much needed refreshment.

During the year:

- Over 1.8 million tasks have been delivered to date to clients who were shielding or self-isolating from COVID 19 via the NHS Volunteer Responders programme. Volunteers are supporting clients with shopping or prescription pick-ups, transport to medical appointments, friendly phone calls. They also transport NHS equipment.
- Clients have found the support invaluable during COVID 19. Of those clients and referrers that we surveyed we found that:
  - o 83% of clients stated that it was a vital service and their sole source of support
  - o The majority said it helped them to 'stay safe' at home – 84%
  - o ONS data suggest it has reduced anxiety levels compared with those who didn't receive support from the scheme. Client survey results was 3.1 compared to 4.1 (ONS February 2021)
  - o Referrers to the scheme (GPs, Pharmacies, Local authorities, Link Workers etc.) agreed (80%) that their patients would have struggled to shield/isolate without the scheme and 59% said they would use it year-round.
  - o 78% agreed that 'volunteers make a valuable contribution to the NHS/public services'
- We have provided a national network of volunteer stewards for vaccination sites to call on, complementing local resource. To 28 March 2021, volunteers have given over 126,500 hours of volunteering, supporting 191 locations.
- Our Winter Pressures services have been activated in 21 locations and volunteers have delivered 5,390 hours of support to 2,720 clients.
- Our retail sites in hospitals began resuming service towards the end of the year with COVID 19 protocols in place. 85 sites were open to support NHS teams and patients by 28 March 2021.
- In partnership with Lidl we distributed over 10,000 food parcels to NHS workers across a number of hospital sites during the height of the pandemic.

- We provided grants to the value of £417k (see Note 6 – Notes to the Financial Statements) to various NHS Trusts and Health Boards to fund hospital based services provided by the charity and other initiatives.

### **What we will achieve in 2021-22**

In 2021-22 this outcome will be updated to ‘Voluntary service is supporting the NHS and wider Health & Care systems to improve and maintain the health of the nation and tackle health inequalities’.

We will:

- Continue to support the NHS Volunteer Responders programme and the vaccination programme, taking steps to ensure that they are accessible to all.
- Deliver our winter pressures and surge support, meeting commissioner requirements.
- Develop our Thrive portfolio of services in the NHS and wider health and care systems, embedding it in communities where there are health inequalities
- Continue to support our Local People’s Programme communities
- Review our reporting outcomes framework
- Continue to grow the impact and reach of our Virtual Village Hall service. (described in point 4 below)

### **4. More older people are connected to their communities**

#### **What we have achieved in 2020-21:**

Many older people struggle with social isolation, particularly when health conditions limit mobility and confidence. COVID 19 made this situation far worse. The services people relied upon to provide social contact, mental stimulation and physical activity were paused as group gatherings were no longer permitted for large parts of the year.

For Royal Voluntary Service this meant our community groups – often built around uplifting activities such as dance, music and crafts or coming together for food- were reluctantly closed in their usual formats.

A hallmark of the past year has been our flexibility to adapt to challenging circumstances. Real creativity has been shown by our teams and it has sparked new services which will live on beyond the pandemic.

One of the stand-out examples is the continued development of our Virtual Village Hall. An online community space hosted on Facebook Live where events run every day and everyone is welcome.

During the year we:

- Attracted 33,000 regular visitors (followers on Facebook) to our Virtual Village Hall which was launched in April 2020. There have been over 1.2 million views of our classes run by

a variety of expert tutors. Activities have been diverse ranging from Bollywood Dancing, to gardening Q&A to Pilates, to crafting sessions.

- Delivered the final year of the People's Health Trust funded Local People Programme. Over six years, Royal Voluntary Service worked with six local communities which experience inequalities in health to increase social connections and the amount of control people have over their lives and their communities, in order to improve health and wellbeing. The Covid-19 pandemic presented real challenges, but work over the past five years to develop strong links between residents was of huge benefit in the pandemic. Participants were able to support each other with a range of activities including taking their singing, social dining and exercise sessions on-line, helping to keep people connected and maintain wellbeing.
- Worked with our volunteer co-ordinators across Britain to support them and their volunteers during the pandemic. A wide variety of services were adapted to include setting up a food bank, delivering fish and chips and cream teas, organising a weekly online quiz and arranging Christmas hampers.

In 2021-22 we will report this activity against our new outcome 'Voluntary service is supporting the NHS and wider health & care systems to improve and maintain the health of the nation and tackle health inequalities'.

## **5. Key organisations and influencers support our philosophy of voluntary service**

### **What we have achieved in 2020-21:**

As a leading charity active during COVID 19, we have grown our influencing work at a strategic level, with Ministers and officials and have linked across our own sector to deliver the best volunteering response. Our goal is to influence the future of volunteering in the NHS and integrated care systems to ensure gains made during COVID 19 are not lost but captured for COVID recovery and the longer term.

During the pandemic we have rallied partner charities to come together to source volunteers through our Hour of Need campaign and we have been active members of cross-charity groups. We are working shoulder to shoulder with key partners on new initiatives to take volunteering forward and we have joined the Together Coalition to champion community spirit across society. We are keen to grow the evidence base in volunteering and this year developed several new pieces of insightful research.

We have:

- Built relationships
  - Built positive relationships across NHS England leadership and key Government Departments (DHSC, DCMS).
  - Hosted regular briefings with the Care Minister and the Minister for Civil Society, and provided further briefings to officials and MPs.

- Enabled active participation from the Prime Minister, Secretary of State for Health and the Minister for Care in our NHSVR programme.
- Spoken at a large number of sector and health and care events.
- Organised campaigns
  - Launched our 'Hour of Need' campaign, inviting the voluntary sector and corporate businesses to inspire teams to step forward during COVID 19. 100 organisations took part in the project.
  - Joined the Together Coalition, our CEO Catherine Johnstone CBE joined the board, and we partnered on a high profile, celebrity-studded 'Christmas Together' campaign, encouraging the public to volunteer.
- Developed projects
  - Established a volunteer passport project with St John Ambulance and British Red Cross to deliver in Autumn 2021, so it is easier for volunteers to move between our organisations
  - Led the development of a 'shaping the future of volunteering' group, convening 16 partner charities. The group aims – through collaboration - to secure volunteering's profile and impact in a bigger civil society.
  - Forged a new partnership with the National Academy for Social Prescribing, creating a new fund to support innovation in social prescribing offers enabled by volunteers.
- Engaged in forums
  - Participated actively with the Richmond Group of Charities and the Voluntary Sector Charity Emergency Partnership. Continuing our involvement in the 'We Are Undefeatable' campaign
- Undertaken research
  - Launched our research report and webinar, 'Volunteering, COVID and Integrated Care' by Jeremy Hughes CBE with PPP Dawson exploring learnings from the frontline with NHS leaders.
  - Developed our second Kick-Start the New Volunteer Revolution report with Eddy Hogg from the University of Kent, 'Volunteering and Social Mobility' will be launched in April 2021.

We have also been honoured throughout 2020-21 to have had wonderful support from the Royal Household which have been actively supporting Royal Voluntary Service throughout the pandemic and we are thankful to them for being so generous with their time.

- Their Royal Highnesses the Duke & Duchess of Cambridge visited an RVS centre in Batley as part of their Royal Train Tour and the Duchess joined our President HRH The Duchess of Cornwall in championing our 'Check in and Chat' service with NHS Volunteer Responders.

- HRH The Duchess of Cornwall visited our lunch club in Rickmansworth and joined volunteers at a vaccination site in North London.
- Her Majesty the Queen is our Patron and we were honoured that she and HRH The Duchess of Cornwall brought together a number of our volunteers on Zoom to thank them on the anniversary of the first lock-down.

**In 2021-22 we will:**

- Focus our influencing work on embedding volunteering in the NHS and integrated care system – building on the significant progress made during COVID 19.
- Maintain our relationships with Minsters, officials, opposition parties and MPs.
- Continue to engage with senior leaders within the NHS and social care system.
- Launch our Volunteer Passport with British Red Cross and St John Ambulance.
- Develop and deliver our innovation programme with the National Academy of Social Prescribing.
- Further develop our 'Shaping the future of volunteering' project with partner charities.
- Continue to publish new research through our 'Kick-Start the New Volunteer Revolution' programme and through partnerships.

**Other achievements in the year**

Crucial to the charity's future is the investment we are making in our IT infrastructure. During the course of the year we continued to deliver our Technology Transformation Programme which, overall, is a £3.4m project. This reaped rewards for the charity in improved network security and stability and new videoconferencing facilities. This investment proved vital when suddenly, because of COVID 19, all our staff needed to switch to remote working with office staff assuming home-based roles and our services translating to non-contact models. The improvements brought by the programme were also able to support our incredibly successful Virtual Village Hall roll out.

The past year has seen a renewed focus on Equality, Diversity and Inclusion (EDI) and the trustees have reconfirmed their commitment to this important area. Work during the period has included aligning our Values with the EDI principles and also developing new training materials for all staff. We were also proud to join The Race Equality Network. This programme will be a high priority in the coming year.

We have also reviewed and updated our guidance to support our values, enabling our staff and volunteers to apply them with confidence in everyday situations. Royal Voluntary Service is a great place to work, and during the year we developed our Employee Value Proposition, to explain concisely to those outside RVS what we offer as a potential employer.

The challenge to the Charity of the COVID-19 pandemic during the year was both significant and long lasting. This included the governance of the charity. In response, the trustees met more regularly with the leadership team to discuss and consider the operational and strategic responses to the changing environment. In recognition of the long term challenges that society will face, particularly those that are disproportionately affected, the trustees and leadership

team have worked on a refresh of the charity's strategy covering the period to March 2024. This has included the changes to the outcomes set out on page 5 in our Vision, Mission and Values.

During the year, the charity launched its Heritage Virtual Reading Room allowing users to view the charity's extensive collection of unique heritage documents live. To do this our Heritage Team pioneered a low cost system and shared that learning with the wider sector. This has allowed users access to our Heritage materials during the Covid 19 pandemic and will be a useful way to offer alternative access to our heritage materials in the future.

Finally, in a year where RVS has been firmly in the spotlight, our communications and marketing team have worked hard to maximise opportunities to raise awareness of our work. During 2020-21 our media exposure grew significantly with The Royal Household, high profile celebrities, , politicians and faith leaders supporting our work. We used multiple campaigns to give people opportunities to see stories about the difference we make.

## **Fundraising**

Our charity relies on the generous donations of partners and individuals to support our work. Covid-19 has led to some significant changes in our Fundraising during 2020-21 with some priority streams paused, new streams gaining momentum, and other established streams seeing increased growth in response to our Covid-19 emergency appeal.

In 2020-21 we:

- Delivered a successful multi-channelled Covid-19 emergency appeal, testing and building on new areas of giving, such as online, telephone and DRTV. This included significant donations from existing and new national and regional corporate funders.
- Developed our online acquisition fundraising through a 'test and learn' approach to understand the messages and themes that most appeal to the public
- Built an online stewardship plan to encourage further/ongoing engagement with the charity
- Developed our online 'in-aid-of' work (in particular our own product 'Step Up'), in response to the cancellation of all mass participation charity events
- Delivered our prize draw and completed a soft launch of our new weekly lottery product
- Developed a new corporate employee volunteering programme, matching corporate volunteers with clients requiring weekly companionship calls and safe and well checks
- Harnessed the support of 100 companies and 39 major charities to promote the Hour of Need volunteer recruitment campaign to their staff and via social media channels
- Strengthened our relationships with grant making trusts and lottery distributors and are grateful for their flexibility in allowing us to pause or change the work they funded to enable us to respond to the urgent needs of communities as a result of the pandemic
- Built new relationships with grant makers including the Julia & Hans Rausing Trust and Moondance Foundation, who supported our emergency response to Covid-19
- Secured a grant of £2m from the Covid-19 Support Fund to enable us to enhance and grow our Living Well With Dementia centres over the next three years

- We have agreed with Postcode Lottery Limited to end the arrangement which saw them acting as an External Lottery Manager managing draws on our behalf. We look forward to continuing our longstanding relationship with players of People's Postcode Lottery as recipients of grant funding through the Postcode Support Trust

We are registered with the Fundraising Regulator, demonstrating our commitment to good fundraising practice and are committed to the Code of Fundraising Practice and Fundraising Promise. We are authorised to use the Fundraising Regulator's badge on our fundraising materials. We have signed up to receive suppressions under the Fundraising Preference Service and we have received eight requests through this channel during the year, which have been actioned. We received only three complaints about fundraising during the year, all of which were dealt with in line with our fundraising complaints policy and procedure. This is a low number compared to the volume of fundraising activity we have undertaken and reflects the careful approach we take to ensure we do not bombard donors, and that the content of our fundraising is appropriate. Our fundraising teams are regularly trained on the Fundraising Regulator's Code of Fundraising Practice.

We take proactive steps to ensure the protection of vulnerable people through our fundraising activity. We develop our fundraising materials in line with ethical standards we have built working with a psychologist to ensure vulnerable people will not be adversely affected by our content. We have also developed our own training programme built on this insight for our face-to-face fundraisers which they must complete successfully before commencing fundraising activity.

During the year we have used third party professional fundraisers to carry out our telephone fundraising activities. All fundraisers are trained with in-depth information on the charity and then throughout the campaigns we also undertake daily call listening to ensure that the fundraisers are representing the charity appropriately. We have agreements with the organisation to ensure they fundraise appropriately, meeting our expectations, and protecting vulnerable people from undue pressure.

We have also worked with partner agencies (Flow Caritas and Pick) to deliver high-quality temporary fundraisers carrying out some street fundraising on our behalf. All our fundraisers are managed by team leaders and regional face to face fundraising managers. This structure provides a clear line management structure and a point of escalation if there are issues of concern. Mystery shopping by the Chartered Institute of Fundraising's mystery shopping team did not take place during the pandemic but we did support this via our own fundraising managers for the short period we were actively fundraising. We do not undertake any door-to-door fundraising to avoid potential intrusion.

## **The Environment**

Royal Voluntary Service considers its social responsibility and carbon footprint of high importance. The Trustees supported by the Chief Executive Officer and the Leadership Team have overall responsibility for our approach to sustainability.

We have monitored and managed the air conditioning and heating systems at the main office building in Cardiff to ensure that the appropriate levels have been maintained in consideration of its limited use of the main office building in the past year. With the closing of sites due to the pandemic, through 2020-21 there has been a reduction in energy consumption across Royal Voluntary Service.

To support our commitment to the environment, our main office building has office lights fitted with motion sensors where it is applicable and energy efficient lighting is used throughout the building. We supply point of use drinking water and do not supply plastic or paper cups. Solar photovoltaic panels installed on the roof generate approximately 30% of the site's electricity requirement, resulting in a more efficient use of electricity. We have invested in an improved maintenance regime for the solar power which has helped increase the volume of electricity generated. Implementation of separate recycling bins within the office and separate waste for weekly collection has been established. Paper and cardboard collection points are provided within the main office and toner cartridges are recycled.

During 2020-21 and in line with the new Greenhouse Gas Protocol and Streamlined Energy and Carbon Reporting (SECR), we commissioned a report with ECA Business Energy. As required by the Greenhouse Gas Protocol, the report looked at Scope One – Combustion of fuel on site and transportation and Scope Two – Purchased Energy (Electricity).

## Report Output

The third party assessor gathered data from RVS operations for scopes 1-2 for the financial year ended 28 March 2021 for inclusion in this report as required by the Streamlined Energy and Carbon Reporting (SECR) legislation and March 2019 Department of Business, Energy and Industrial Strategy (BEIS) Environmental Reporting Guidelines.

The location-based emissions show the emissions produced when using average carbon conversion factors for the UK, provided by BEIS.

	Scope 1				Scope 2	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Unit	Natural Gas	Natural Gas	Transport Miles	Transport Miles	Electricity	Electricity
Raw Quantity	393,160	363,140	445,852	229,916	392,723	125,596
KWh	393,160	363,140	538,436	226,346	392,723	125,596
Conversion Factor	0.1839	0.1839	0.2790	0.2412	0.2556	0.2331
Tonnes of CO2 equivalent (tCO2e)	72.28	67.00	124.40	55.00	94.50	29.00

The intensity measurement of income has been selected as it is more relevant to the charity's operations and comparable to prior year calculations.

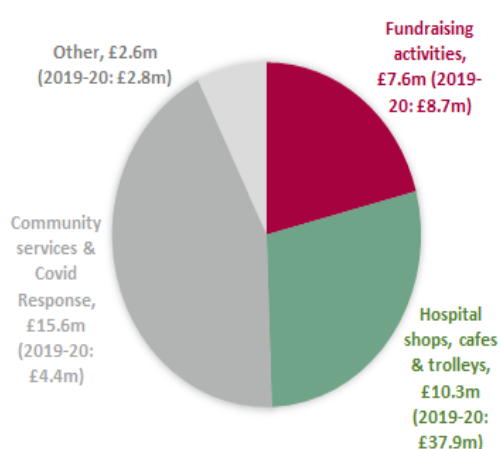


The locations-based emissions for Royal Voluntary Service fell between the financial years 2019-20 and 2020-21, from 291tCO2e to 151tCO2e, resulting in year-on-year emissions reduction of 48%. The Specific Carbon Consumption (SCC) intensity ratio is calculated at £4.543 kg of revenue (2019-20: 5.483 kgCO2e/£k).

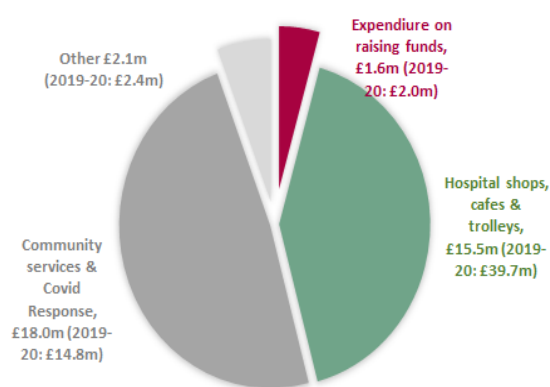
## Our Financial Review

2020-21 has been a challenging and unprecedented year from a financial as well as operational perspective during which the key income and expenditure highlights have been:

**Income £36.1m (2019-20: £53.8m)**



**Operating expenditure £37.2m (2019-20: £58.9m)**



Other highlights include:

- Financial support of £4.2m was received for retail operations within hospitals (including rent holiday support from our landlords £1.1m, Coronavirus Job Retention £2.6m and local authority Covid-19 grants £0.5m)
- Overall the charity returned a surplus of £0.8m (2019-20: deficit of £5.1m) including net gains on investments of £1.9m
- Total Funds and Reserves increased by £0.8m to £19.2m (2019-20: 18.4m)

Looking forwards the outlook remains very uncertain and in response the 5 Year Strategy and Corporate Plan have been updated taking into account the effects of COVID-19 and future budgets reflect our best estimates of the recovery of retail shops and cafes and the future prospects of continuing with national NHS England contracts.

## Operating income

During the year a total of £36.1m (2019-20: £53.8m) income arose from the following sources:

- hospital shops, cafes and trolleys £10.3m (2019-20: £37.9m). The significant reduction in income reflects the closures of stores due to COVID-19 social distancing measures and cancellation of clinics. Where possible stores have reopened during the year and 85 were

open at the end of March 2021 and 94 remaining closed. £2.6m was received from the Coronavirus Job Retention Scheme and is included in income from charitable activities.

- fundraising, see note 2 of the financial statements, which is comprised of voluntary income and activities for generating funds, £7.5m (2019-20: £8.7m). The reduction in income is due to the timing of People's Postcode Lottery draws, 2 draws 2020-21 (6 draws 2019-20) resulting in £3.2m reduction on reported income of £1.4m (2019-20: £4.6m). This has been offset by the Covid-19 support fund grant of £2.0m. Reduced income from suspended fundraising activity (£2.3m) has been mitigated by a successful Covid-19 appeal that brought in £2.3m of income.
- community services generated income of £15.6m (2019-20: £4.4m) with an increase of £11.6m driven by the new NHS England for Support national contracts as a result of COVID-19. Where it was possible, existing community services were delivered safely under social distancing rules and regulations. Where it was not possible to deliver services funders have supported us by agreeing to defer funding until 2021-22. The five year programme of work with Addaction ended in March 2020 with a reduction in the year of £0.9m income.
- Services Welfare £2.4m (2019-20: £2.5m)
- Other £0.2m (2019-20: £0.3m) including the net gain on disposal of the Isabel Blackman Centre.

## **Operating expenditure**

Total operating expenditure for the year was £37.2m (2019-20: £58.9m) and was spent on the following areas:

- hospital shop, cafe and trolley retail services reduced to £15.5m in the year reflecting the closure of stores (2019-20: £39.7m) and the overall reduction in costs includes - goods for resale are lower at £4.3m (2019-20: £21.5m) as a result of closed services and lower sales; support costs (see note 6 of the Financial Statements) reduced to £3.4m (2019-20: £4.4m) and other net store overheads also reduced due to the successful application to trusts, local authorities and landlords for reduced building costs.
- community services £18.0m (2018-19: £14.8m). The direct cost to deliver services at £13.6m, see note 6 of the financial statements (2018-19: £7.8m) showed a net increase of £9.5m due to the increase in the direct costs of services delivered for NHS England under the national Covid-19 for support contracts offset by a reduction in service delivery costs for other services affected by Covid-19. Allocation of support costs have decreased to £4.3m (2019-20: £7.4m) as support staff worked on national Covid-19 contracts and were therefore treated as direct costs and also due to reduced costs from home working.
- fundraising £1.6m (2019-20: £2.0m). This expenditure reflects the suspension of face to face donor recruitment due to social distancing measures and control of costs through vacancies and less travel.
- other costs £2.1m (2019-20: £2.4m). At £2.1m Services Welfare expenditure is slightly lower than prior year and reflects the reduction in the number of staff employed due to COVID-19 (2019-20: £2.3m). Investment management costs have reduced by £0.1m in line with the sale of investments at Cazenove and Sarasin.

Support costs are included in the activities above and listed in note 6 of the financial statements, and amount to £8.6m (2019-20: £12.8m). In quarter 4, 2019-20 RVS undertook a staff realignment programme which regrettably resulted in redundancies to realign resources and activities to the Corporate Plan. Those costs savings were carried forward into 2020-21 and due to the outbreak of the pandemic in March 2020, new roles in the structure were not filled resulting in further savings. In addition, RVS staff employed in support functions were redeployed to directly work on NHS England contracts in roles such as safeguarding, volunteer recruitment, communications and back office finance and administrative support and these costs were treated as direct costs of those contracts.

During 2020-21 we progressed the Technology Transformation Programme to improve our IT infrastructure; reduced operational and travel costs due to COVID-19 where all staff are now working from home where possible; and incurred 16 voluntary redundancies due to COVID-19 and future sustainability of the charity.

## Investments

During 2020-21 all investments held at Cazenove and Sarasin were sold in three tranches to boost cash flow and de-risk the portfolio by taking advantage of the increase in market values after the significant falls seen in the first quarter of 2020. £12.7m was released to cash and the successful recovery of the stock market by November 2020 meant that a net gain on investment of £1.9m was booked in the year (2019-20: £14k). RVS will keep under review the potential reinvestment in bonds and equities during 2021-22 which will depend on a more stable environment and a clearer understanding of the financial risks that the charity faces.

The key transactions were (see note 11 Financial Statements):

- net realised gains in the year from sale of investments £1,937k, which more than satisfies the income objective of the portfolio, which is to achieve a benchmark rate of return of 2.5% per annum, after fees and costs, above the rate of UK Consumer Price Index (2019-20L £14k);
- released to cash £12,712k to fund cash flow requirements and future planned expenditure (2019-20: £6,637k). The cash has been placed with different banks in line with our liquidity policy and includes £5m placed with Cazenove's cash management facility which is managed equally by JP Morgan and Blackrock. £11.1m is held in cash within Fixed Asset investments on the Balance sheet for future use; and
- investment management fees reduced to £25k to reflect sales in the year (2019-20: 110k).

At 28 March 2021 the balances on the portfolios' (excluding cash investments) are:

Manager	2021	2020
Cazenove	-	£5.1m
Sarasin	-	£5.7m
<b>Total</b>	<b>-</b>	<b>£10.8m</b>

When there were investments in place the Trustees considered and adopted an ethical investment position reflected by its decision to invest the entirety of the charity's Investment Portfolio in Charity Authorised Investment Funds (CAIF) which integrate environmental, social and governance considerations in both equities and engagement and impose strict restrictions on investments in products including alcohol, armaments, gambling, pornography and tobacco.

## **Reserves**

Trustees regularly monitor the level of reserves via the monthly management accounts. When planning and budgeting, Trustees consider reserve levels to ensure an appropriate balance between the short and long term needs of the organisation. Once identified, projects are provided for in designated reserves, consistent with the 5 year strategic plan. This is combined with the need for prudent management of services and programme commitments, and for provision for the potential impact of contingent events.

The Trustees undertake an annual review of the designated reserves and the assumptions that underpin them. 2020-21 has focused on diversification of income streams and safeguarding general reserves to secure our future prospects. Since March 2020 and the start of the pandemic, regular forecasts and future plans have been updated and reviewed. Operational challenges to deliver new income streams; secure increased levels of unrestricted income via our fundraising COVID-19 appeal; and the redirection of designated funds, with agreement from the funder, to support running costs of the charity has meant that during the year our general reserves have increased by £2.7m including £1.9m realised gain on the sale of investments, to £11.1m (2019-20: £8.4m).

It is the policy of Royal Voluntary Service to maintain reserves at a minimum level that ensures the future sustainability of the organisation ensuring that the Charity is able to meet its obligations as they fall due. The following factors will be taken into account in arriving at the value of those minimum reserves:

- forecasts for levels of income for the current and future years, taking into account the reliability and recovery of each source of income and the longevity of new income sources;
- forecasts for expenditure for the current and future years on the basis of planned activity and taking into account the recent staff realignment programmes;
- analysis of any future needs, opportunities, commitments or risks where future income alone is likely to fall short of the amount of the anticipated costs; and
- assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for the charity of not being able to make up that shortfall

During the year the Trustees reviewed the level of future planned expenditure and have updated the Corporate Plan to reflect the revised focus going forward and the challenges faced in 2020-21 due to COVID-19. Therefore, the level of Minimum Reserves required as at the end of the financial year was £4.5m (2019-20: £4.7m). This compares with the value of General Reserves of £11.1m (2018-19 £8.4m).

Total fund balances increased by £0.8m to £19.2m during the year. As at 28 March 2021 these comprise £3.7m of funds restricted for specific purposes, including £2.0m received from COVID-19 Support Fund to develop dementia services over the next two years (2019-20: £1.8m); £4.4m of funds designated for specific use (2019-20: £8.2m); and £11.1m of general funds (2019-20: £8.4m).

Restricted Funds include £2.0m from the COVID-19 Support Fund for dementia services and £0.2m for a new social prescribing innovation fund being managed jointly with the National Academy of Social Prescribing.

Designated funds include £0.2m for the hospital fund; £2.1m for fixed asset fund; £0.2m for the Players of People's Postcode lottery projects fund; £0.5m to develop a new CRM system and others at £1.4m as detailed in note 14 of the financial statements. During the year the Trustees approved two new designations - £0.15m for Community Grants (funded by NHS England) and £0.2m Development Fund.

## **Subsidiary undertakings**

Royal Voluntary Service has two wholly owned subsidiary companies registered in England and Wales which are consolidated into the group Statement of Financial Activities.

1. WRVS Services Welfare Limited provides emotional and practical support to service personnel within the army and some tri service locations in the UK, including Northern Ireland and overseas in Germany, Cyprus and Canada.

Paid trained staff work predominantly in the evening and at weekends to ensure welfare support is available to service personnel during their down-time and where no physical welfare support is available. WRVS Services Welfare Officers manage areas, allocated by the Chain of Command at the unit, including for example a games room, communal lounge, TV/film room and study/quiet space. Due to COVID-19, during 2020-21 the service moved towards a more tailored socially distanced support model including the introduction of a helpline telephone service, virtual interactions and risk assessed socially distanced face to face appointments when restrictions allowed. The numbers using our facilities was reduced due to the pandemic and 202,000 service personnel visited our welfare centres (2019-20: 465,000) and over 1,800 one to one meetings took place between Service Welfare Officers and service personnel at various locations (2019-20: 2,000).

For the financial year 2019-20 the reported income in the subsidiary was £2.4m (2019-20: £2.5m) and the expenditure £2.4m (2019-20: £2.5m). Royal Voluntary Service receives a management fee for delivering the service amounting to £0.2m (2019-20: £0.2m).

2. Royal Voluntary Service Meals on Wheels Limited was set up to deliver meals to those in need in their homes, via commercial contracts with local authorities. All contracts were closed by the end of 2018-19 and a handful of closure transactions, including audit fees have been incurred since. No income was reported in the year ended 28 March 2021 (2019-20: nil) and operating loss was £2k (2019-20: £6k profit). Due to COVID-19 the

planned closure of the company will now take place in 2021-22 and therefore it is not considered appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The charity's subsidiary undertakings are set out in Note 11 of the financial statements. Income from trading subsidiaries has been included within income from charitable activities in the Statement of Financial Activities.

### Principal risks and uncertainties

The charity records significant risks in its Risk Register. This is monitored by the Leadership Team under the oversight of the Audit and Risk Committee and the Trustees who consider that the principal risks arising from the Risk Register are as follows:

Principal risk	Management of risks
Insufficient unrestricted income generation from all or any of fundraising channels, hospital setting trading income, corporate donations and sponsorship, grant providers and commissioners - leading to inability to provide services	Income risk is mitigated by focusing on a range of income streams and generation is rigorously and proactively managed and monitored. Performance is measured against a suite of KPIs designed to identify areas of concern which are remedied swiftly and appropriately.
The charity is unable to adapt its services to align with the changing NHS and social care environments caused by COVID19 and is unable to provide them.	Trustees have considered and adopted an agreed operational response to COVID19 and have updated the charity's strategy which builds on key relationships with external stakeholders and health and social care led charities.
Software applications used by the charity fail to adequately support its operational activities and/or cannot be invested in risking staff and volunteer morale and productivity and income generation.	The Technology Transformation programme is ensuring that the IT infrastructure is both wide-ranging and robust. A comprehensive IT Software Application Strategy and supporting finance plan is to be developed as part of the strategic response to Covid19.
The Change and Transformation Programme is too ambitious and cannot be delivered in the intended time period with the necessary investment	The Change and Transformation Programme is informed by agreed strategic objectives and its delivery is included in the charity's annual plan of activity. Work is phased and overseen by the Leadership Team to keep it on track.

Reputational damage arising from ongoing scrutiny of the sector and/or the charity's higher profile involvement in national programmes – e.g. NHS Volunteer Responder Scheme

Robust internal policies, procedures and training covering areas of highest risk (e.g. safeguarding, data, food safety etc). The regulatory environment is kept under review and responded to appropriately and the Leadership Team is well placed to address issues as they arise.

The charity works to mitigate these risks by applying the structure, governance and management below.

## Our Structure, Governance and Management

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Our people and advisors are set out on page 32.

### Structure and public benefit

Royal Voluntary Service is a charitable company limited by guarantee in England and Wales (number 2520413). It was incorporated on 10 July 1990 and registered as a charity in England and Wales (number 1015988) on 31 December 1992 and in Scotland (number SC038924) on 27 November 2007. Its registered office and principal address are at Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP. The charity is governed by its Memorandum and Articles of Association dated 25 September 2015. These set out the charity's legal objects and describe the public benefit as:

"The relief of poverty, distress, suffering or need among all sections of the community primarily in the United Kingdom by all charitable means and particularly by providing:

- assistance largely in kind and facilities for individuals in the community
- assistance in kind to victims of emergencies or disasters
- advice and facilities to relieve the needs of those in hospital, in prison or in the armed service and their families; and such other purposes for the benefit of the community as shall be exclusively charitable"

The Trustees confirm that they have complied with the duty of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing Royal Voluntary Service's aims and objectives and in planning future activities they refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

The charity has two wholly owned subsidiary companies both registered in England and Wales. These are Royal Voluntary Service Meals on Wheels Limited (number 2778481 and currently dormant) and WRVS Services Welfare Limited (number 2778476).

## **Governance and Management**

The charity's Trustees are responsible for the overall governance of Royal Voluntary Service. It must have no less than six and no more than twelve Trustees (including the Chair) each of whom is also a member of the limited company. Trustees may be appointed for a maximum of 2 three-year terms of office. Trustees are generally recruited using a specialist recruitment consultancy and a process of interview and reference. Those who have served during the year are listed on page 32.

The Board of Trustees exists to safeguard and promote the vision and purpose of Royal Voluntary Service, to determine its strategy and structure and to ensure that it operates effectively and responsibly. Responsibility for the day to day running of the charity is delegated to the Chief Executive Officer via the charity's Governance Framework, which is kept under regular review.

The Trustees also take into account the Charity Governance Code and during the year Trustees implemented improvements to the ways in which it holds its Trustee and Committee meetings to reflect Trustees' review of Board effectiveness. Focus will continue to be placed on the charity's Equalities, Diversity and Inclusion work which will take account of the revised principle in the Charity Governance Code. The proposed consideration of a Deputy Chair was also completed during the year with the appointment of Margaret Moore to that role in December 2020.

Trustees agreed that the Code's recommendation regarding an external governance review was to be dis-applied and that a review was not needed at this point – the monitoring of the charity's governance and assurance structures being continued via the Audit and Risk Committee as supported by the charity's internal Governance Team which sits independently of operational matters.

Trustees hold at least four scheduled meetings a year with additional meetings as necessary. These are usually held as physical meetings but have been held successfully during the Covid pandemic using remote technology. Between these meetings Trustees receive updates as necessary from the Chief Executive Officer who is supported by Leadership Team comprising the Director of Finance, Director of Services (who is also the charity's Deputy Chief Executive Officer), Director of Fundraising, Marketing & Communication, Director of Volunteering, Director of Change & Transformation and the Head of Governance.

The Trustees are supported by three Board committees which meet as required and in accordance with terms of reference. Each committee reports to the Board of Trustees, is chaired by a Trustee and supported by at least two other Trustees. Members of the Leadership Team and other senior managers join the committee meetings as appropriate and external professional advice is sought as necessary. The three committees are:

- The Audit and Risk Committee – this meets at least four times a year to consider reports regarding internal control systems, risk management processes and the report on the annual audit from external auditors. It also receives and considers the Health & Safety report, charity's risk register and any horizon risks before recommendation to Board of Trustees
- The Investment and Finance Committee - this meets at least four times a year to oversee the performance of the charity's investment portfolio (including consulting with its



external investment advisor when appropriate) and liquidity reserve and to scrutinise the business cases for the charity's proposed project investments, the annual budget and its financial performance

- The People and Remuneration Committee – this meets at least four times a year to consider volunteer and employee issues and to review the performance and remuneration of the Chief Executive Officer, the size, structure and composition required of the Trustee Board and succession planning for Trustees and senior management. It also considers the charity's Pay Policy and Remuneration Strategy and monitors the charity's Safeguarding risks and activity

The Board of Trustees retains authority for all matters that are not delegated by the charity's Governance Framework or separate specific delegation. Responsibility for financial matters (including reviewing and approving the annual budget), the (re)appointment of Trustees and the appointment of the Chief Executive Officer rests with the Board of Trustees.

A Trustee induction programme is in place and each new Trustee (suspended whilst Covid restrictions are in place) visits services and meets with senior management within Royal Voluntary Service at an early stage of their Trusteeship where practicable. Ongoing support is provided as required to ensure Trustees are aware of changes to the legal and regulatory framework affecting the charity and their roles and responsibilities within it. Royal Voluntary Service has also purchased trustee indemnity insurance, as outlined in Note 8 of the financial statements.

### **Changes in Trustees and Executive Directors**

During the year we were delighted to appoint six new Trustees, Bayo Adelaja, Justin Davis-Smith, Frankie Herbert, Margaret Moore, Matthew Moorut and Richard Williams. Each brings a valuable set of skills and experience to complement those of our existing Trustees and to benefit the charity. Each new Trustee has joined and is contributing to one of our three Committees with Margaret Moore taking on the role of Chair of the Audit and Risk Committee and Deputy Chair. All are welcome and looking forward to meeting more of the charity's volunteers once Covid restrictions permit.

We said farewell to existing Trustees, Tracey McNeill and Ian Cranna both of whom offered so much to the charity. Tracey resigned during her second term of office due to personal commitments and Ian resigned because of changing conflict of interest considerations. We wish them both well for the future.

### **Risk management and internal controls**

The Trustees, who are also the directors of the limited company for the purposes of company law, have overall responsibility for the system of risk management and internal control for the charity and its subsidiaries. Trustees refer to the charity's Risk Management Policy and risk register when considering the main risks facing Royal Voluntary Service and the risk appetite of the organisation. Leadership Team keeps the risk register under regular review and reports quarterly to the Audit and Risk Committee and Trustees on changes to the risk register. The risk register has helped in the process of identifying the risks associated with the Covid19 pandemic

and the charity's responses have been tailored accordingly (see Risks and Uncertainties table above).

The charity produces an annual budget which is monitored regularly, at least monthly by the Leadership Team and reported to the Investment and Finance Committee and Trustees. Updated financial forecasting is generally undertaken at the half year stage to reflect changes to the original budget assumptions and the impact on the projected income and expenditure. When necessary more frequent forecasting, analysis and reporting is undertaken.

During the year the charity's internal audit Team reported to the Audit and Risk Committee and worked with management to embed a risk management culture by using control and risk self-assessment to manage the working environment effectively. Internal audit undertook regular audits from the Trustee approved internal annual audit work plan and monitored and tested controls to offer necessary assurance.

As part of the response to the financial pressures on the charity (caused by the Covid 19 pandemic) several functions were either merged or paused pending a recovery in the charity's financial position. The internal audit function was included in the latter with the overview of the performance of the charity's internal controls superseded by a new Assurance Dashboard. This is reported to the Leadership Team and the Audit and Risk Committee on a quarterly basis and any indications of emerging issues are fully investigated. Although there have been no adverse events of note, a fraud risk assessment is underway. This will include a review of the charity's organisational and operational controls as well the arrangements for a fraud response team.

### **Remuneration and pensions**

The People and Remuneration Committee reviews employee reward and recognition, including salaries and pension provision for all employees. The financial constraints of the Covid 19 pandemic determined there were no pay awards during the year but as the pandemic starts to recede, the Committee will again look to oversee any pay and recognition (including pensions) awards. The Committee also undertook the charity's third gender pay review which showed that the charity's median pay gap remained constant at 0%. There was a slight 1.3% increase in the mean pay gap to 15.6% due in part to an increase in the percentages of males that occupy upper middle quartile roles and females occupying lower quartile roles.

### **Volunteers and employees**

Our Strategic Framework 2018-23 specifically and deliberately puts the inspiration and enablement of voluntary service at the heart of everything we do. This has been exemplified as we have supported the NHS and those vulnerable to Covid-19 throughout the pandemic with the mobilisations of thousands of volunteers through the dedicated NHSVR programme. Our existing and new volunteers continue to make a massive difference in their communities, to those who are vulnerable and in the NHS. Their commitment and impact are of immeasurable benefit and during the year they provided the equivalent of over £42.4m (2019-20: £35.5m) of volunteering contribution (applying Kings Fund research to our data) of which we are enormously proud.

The charity continues to deliver on the People plan to underpin the Strategic Framework and significant work has already started on the first elements of the plan including developing an 'Employee Value Proposition' (EVP), further embedding our Stella values and ensuring that equality, diversity and inclusion increasingly sits at the heart of all relevant people initiatives. We rolled out the core of a new integrated HR/Payroll system in 2019-20, and the Performance Management module has recently been launched that allows a consistent and centrally recorded annual performance review process to be delivered. Work continues on adding additional modules to increase functionality in reporting, recruitment and learning and development.

During the pandemic a significant number of our colleagues, mainly in retail have agreed to take furlough leave. Our colleagues still working have reported being busier than ever. Consequently a significant emphasis has been placed on the health and wellbeing of all of our staff and the 'Wellbeing Hub' created in 2019-20 continues to be updated with resources and communications to support working and furloughed colleagues. Led by our CEO, we also invited all staff to attend one of a series of virtual 'Town Hall' events, taking the opportunity not only to update but also to directly address questions and concerns that staff had raised with us.

The Employee Forum, providing a direct communication channel between the charity's staff and the CEO remains in place and meets quarterly to discuss key topics and developments and to support the roll out of the People Plan.

### **Trustees' responsibilities**

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

*The likely consequence of any decision in the long term:* Our Board of Trustees sets the strategy for our charity (page 5) which aims to inspire and enable the gift of voluntary service to meet the needs of the day in our communities. This strategy is the reference point for decision making ensuring the charity stays on its agreed course. We regularly review the external environment and will ensure that our plans are updated to accommodate changes to circumstances in order to protect the charity and the delivery of its objectives.

*The interests of the company's employees:* Our employees support and work alongside our volunteers to deliver vital services in communities. In a geographically dispersed organisation it is vital that we take particular care to support and engage our employees and ensure we have two-way open channels for feedback and ideas sharing. This has been particularly important in the pandemic and the work in this area is set out above, for example, the provision of the Wellbeing Hub. Our Employee Forum meets directly with the Chief Executive to facilitate engagement across the charity. This is highly valued by both staff and leadership. This direct channel is complemented by face to face 'Town Hall' events which allow wider access to the leadership team with Q&A opportunities and strategy updates. Staff experiences are also shared between colleagues through our magazine, 'The Volunteer' and through e-communications.

*The need to foster the company's business relationships with suppliers, customers and others:* Positive relationships with our partners, commissioners and suppliers, are key to our success. We support our relationships with suppliers through our procurement team and by policy frameworks and departmental staff responsible for delivery. Larger supplier relationships have a named individual responsible for managing the relationship. Our commissioners, will be supported by specific project managers who are responsible for programme delivery, proactive problem solving and regular reporting of outcomes. Regular two-way communication is embedded to maintain positive working relationships throughout the life-cycle of programmes. Our service beneficiaries (clients and participants) and our volunteers are surveyed annually to track our impact and canvass valuable feedback. Volunteer engagement is a key priority for our organisation.

*The impact of the company's operations on the community and the environment:* The impact of the charity on the community is central to our mission and delivery. Our volunteers and staff devote their time to improving the lives of vulnerable people in communities and hospitals by supporting their health, well-being and their social connections. Further information on how this is delivered can be found throughout this report.

We recognise our responsibility to care for the environment and our aim is to minimise our environmental impact. As a geographically dispersed organisation we are increasingly adopting technology to connect to one another, reducing our car fleet and discouraging unnecessary travel between sites. We use video-conferencing tools to meet and provide online training and education resources for our teams. We enable and encourage home-working where practical and have many roles purely based from home, reducing travel to and from office locations and the associated CO2 emissions. During 2020-21 our offices have been closed due to the pandemic and administrative staff were quickly set up to work from home in March 2020. Our administrative office is in Cardiff and we have installed green energy panels to reduce its environmental impact. Paper-based communications are reducing as we move increasingly to online channels for volunteer, staff and supporter engagement. Where paper is used, we aim to minimise environmental impact, where possible, through use of recyclable material. Our staff and volunteer magazine is now recyclable and the cover is fully compostable. More detail is available in The Environment section.

*The desirability of the company maintaining a reputation for high standards of business conduct:* Public trust in Royal Voluntary Service is key to our reputation and continued success. Our 'Stella Values' provide a foundation for the behaviours and standards we expect (see page 5). These are used throughout the organisation and support our recruitment processes as well as our employee appraisals. These values are underpinned by a full set of policies, procedures and contracts which govern the conduct of our charity and our teams from our fundraising policy to our procurement policy to our employee contract. Our whistleblowing procedures are clear and accessible ensuring that there is a ready route for staff, volunteers and partners to anonymously raise important concerns. We also have a clear complaints process for our supporters managed by our supporter care team.

*The need to act fairly as between members of the company:* Royal Voluntary Service operates in communities across Great Britain and we aim to be fully inclusive, and easy to access for everyone. Royal Voluntary Service is naturally a diverse organisation and draws its teams from

the local communities it serves. We value all forms of difference in employees, volunteers, our clients, participants and our supporters.

To foster positive engagement across communities we make information available in different languages relating to the communities we operate within and ensure we have representative imagery on our promotional materials. This programme is continuing to build into 2021. This approach signals that Royal Voluntary Service is a welcome environment for all. Our fundraising work is carefully designed to avoid harm, recognising vulnerabilities of some of our supporters.

We publish our Gender Pay Gap information clearly on our website and are working to close the gap further.

No form of discrimination, bullying or harassment is tolerated at Royal Voluntary Service and we have procedures in place including clear policies setting out our expectations, complaints processes, whistleblowing channels, and disciplinary procedures.

Our Chief Executive is leading our work on the charity's Equality, Diversity and Inclusivity programme which will be a priority for 2021 with Trustee and partnership involvement. This programme will seek to embed EDI principles consciously throughout Royal Voluntary Service, threading EDI into each of the charities key strategic work-streams.

## **Accounting and Reporting**

The Trustees are responsible for preparing the Annual Report (including strategic 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 Trustees 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group and charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The Trustees have considered the latter point in the context of the continuing uncertainties over the Covid19 pandemic. The pandemic, and the social distancing measures adopted to reduce its impact, including the lockdowns announced in January 2021 has provided both significant challenges, for example the temporary closure, in the first four months of the financial year 2020-21, of most of the retail estate as well as opportunities to support the nation and the NHS through the development and delivery of the NHS Volunteer Responders programme and the Covid19 volunteer vaccination stewarding programme. This has enabled key elements of the charity's

strategy to be advanced faster than originally anticipated. Fundraising income also increased as many people and organisations recognised the value of this work and donated monies to help.

The vaccination programme has been rolled out at a fast pace with the great majority of the most vulnerable already given the protection offered by the vaccine. Together with the impact of the lockdown this has resulted in a significant fall in the number of infections and the hospitalisation of people needing treatment. With the reduction in the pressure on the NHS and the easing of social restrictions the level of sales at our retail sites have increased, although they remain significantly below pre-covid19 levels. However there remain risks, particularly around the threat of new variants of the virus. As well as the risk mitigation activities set on pages 22-23 of this report, the Trustees have considered and approved plans to make sure that the expenditure in the foreseeable future will properly reflect the likely level of income expected, while still delivering the charity's objectives as set out on pages 7 -13 of this report. This has included the review of the charity's Designated Reserves and their underlying plans. Importantly the plans also allow for flexibility should the demand for retail and other services grow more quickly than expected.

Progress against those plans, as well as the development of the environment in which the charity operates, is monitored on a frequent and detailed basis and reported to the Trustees when they meet, which is more often if necessary. This will enable new trends to be identified quickly and appropriate action to be taken.

The Trustees have reviewed detailed financial and cash projections for the charity under a number of different scenarios and therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Disclosure of information to the auditor**

The Trustees, who are also directors for the purposes of company law and, who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed he/she has taken all the steps he/she ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish it has been communicated to the auditor.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This Report of the Trustees (including the Strategic Report) was approved by the Board of Trustees on 14 September 2021.

A handwritten signature in black ink, appearing to read 'S. Dunmore', followed by a long horizontal line extending to the right.

Stephen Dunmore OBE  
Chair of the Board of Trustees

## Appendix - Our People and Advisers

### Patron

HM, The Queen

### President

HRH, The Duchess of Cornwall

### Ambassadors

Felicity Kendal  
Roy Noble OBE  
Elaine Paige OBE  
Josette Simon OBE

Dame Patricia Routledge DBE  
Phillip Schofield  
Wayne Sleep OBE

### Trustees

Unless otherwise indicated, the Trustees listed below were in office from 1 April 2019. Committee membership is also noted:

Stephen Dunmore OBE, (Chair)

Bayo Adelaja PR

Appointed 1 May 2020

Mike Bury IF

Ian Cranna IF

Resigned 25 August 2020

Dr Justin Davis-Smith CBE, PR

Appointed 1 May 2020

Frankie Herbert IF

Appointed 1 May 2020

Charlotte Lambkin PR

Tracey McNeill PR

Resigned 19 May 2020

Margaret Moore (Deputy Chair) AR

Appointed 1 May 2020

Matthew Moorut AR

Appointed 1 May 2020

David Rose AR

Josephine Swinhoe IF

Richard Williams PR

Appointed 20 May 2020

### Committee chairs

AR: Audit and Risk Committee

Margaret Moore

IF: Investment and Finance Committee

Mike Bury

PR: People and Remuneration Committee

Charlotte Lambkin

### Chief Executive and Company Secretary

Unless otherwise indicated, the employees listed below were in office from 1 April 2020:

Catherine Johnstone CBE, Chief Executive

Karyn Maria Shepperd, Company Secretary

### Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

### Banker

Barclays Commercial Bank, 4th Floor, Apex Plaza, Forbury Road, Reading, RG1 1AX

### Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Schroder & Co Limited (trading as Cazenove Capital), 31 Gresham Street, London, EC2V 7QA

### Solicitors

Geldards LLP, Dumfries House, Dumfries Place, Cardiff, CF10 3ZF



Royal Voluntary Service would like to thank all the individuals, community groups, organisations, companies and grant makers who have supported our work during the year, including:

Admiral	Lady Margaret Skiffington Trust
Aegon	Legal and General
Amazon	The Liz and Terry Bramall Foundation
The AMW Charitable Trust	Lidl GB
Asda Foundation	M&G
Ashurst	Masonic Charitable Foundation
Assura	Moondance Foundation
The Austin & Hope Pilkington Trust	National Lottery Community Fund
AVIVA	People's Health Trust
Ballinger Charitable Trust	Persimmon Homes Community Champions
The Barbour Foundation	Players of People's Postcode Lottery
BNP Paribas	Shetland Charitable Trust
Brian Wilson Charitable Trust	Simmons and Simmons
Cadent Foundation	Specsavers
Camden Town Brewery	Starling Bank
Cisco	Tesco Bags for Help
Corra Foundation	The Massive Get Together
Covid-19 Support Fund	Toyota
The David Family Foundation	VSEF Small Grants
DWF Foundation	VSRF Small Grants
Eli	Volunteering employees of Google
Forteviot Charitable Trust	Waitrose Community Matters
Funky Pigeon	WCVA
Geoffrey Clark Charitable Trust	Welsh Government
The George A Moore Foundation	The Westwood Charitable Trust
Goldman Sachs	WH Smith Trust
Hiscox Foundation	William Grant Foundation
Hobart Trust	Worth Waynflete Foundation
Imagile Infrastructure Management	WRVS Benevolent Fund
Julia & Hans Rausing	

## **Independent Auditor's Report to the Members and Trustees of Royal Voluntary Service**

### **Opinion**

We have audited the financial statements of Royal Voluntary Services ('the charitable company') and its subsidiaries ('the group') for the year ended 28 March 2021 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statement and notes to the financial statements, including 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 group's and the charitable company's affairs as at 28 March 2021 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 Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

### **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 and the group 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 27-28, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context the Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, sample testing on the

posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with. In addition to this we have also sample tested income streams and completed cut off testing around year end to ensure income has been recognised in the correct accounting period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*N. Hashemi*

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

55, Ludgate Hill,

London

EC4M 7JW

**Date** 7th October 2021

# Royal Voluntary Service

## Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 28 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
<b>Income</b>							
<b>Income from donations and legacies</b>							
Voluntary Income	2	2,882	2,868	5,750	5,516	2,089	7,605
<b>Income from charitable activities</b>							
- Hospital services		10,284	-	10,284	37,908	-	37,908
- Community services		15,351	240	15,591	4,380	-	4,380
- Services welfare		2,374	-	2,374	2,473	-	2,473
<b>Other trading activities</b>							
- Activities for generating funds	2	1,778	27	1,805	865	215	1,080
<b>Investments</b>	5	18	-	18	105	-	105
<b>Other</b>							
- Net gain on the disposal of tangible fixed assets		246	-	246	200	-	200
<b>Total income</b>		<b>32,933</b>	<b>3,135</b>	<b>36,068</b>	<b>51,447</b>	<b>2,304</b>	<b>53,751</b>
<b>Expenditure</b>							
<b>Expenditure on raising funds</b>							
- Expenditure on raising voluntary income		305	-	305	422	-	422
- Expenditure on activities for raising funds		1,284	-	1,284	1,538	-	1,538
- Investment management costs		25	-	25	110	-	110
<b>Expenditure on charitable activities</b>							
- Hospital services		15,479	-	15,479	39,721	-	39,721
- Community services		16,836	1,180	18,016	12,152	2,684	14,836
- Services welfare		2,130	-	2,130	2,287	-	2,287
<b>Total expenditure</b>	6	<b>36,059</b>	<b>1,180</b>	<b>37,239</b>	<b>56,230</b>	<b>2,684</b>	<b>58,914</b>
Net gains on investments	11a	1,937	-	1,937	14	-	14
<b>Net (expenditure)/income</b>		<b>(1,189)</b>	<b>1,955</b>	<b>766</b>	<b>(4,769)</b>	<b>(380)</b>	<b>(5,149)</b>
<b>Transfers</b>	14	90	(90)	-	-	-	-
<b>Net movement in funds</b>		<b>(1,099)</b>	<b>1,865</b>	<b>766</b>	<b>(4,769)</b>	<b>(380)</b>	<b>(5,149)</b>
Total fund balances brought forward at 29 March	14	16,588	1,856	18,444	21,357	2,236	23,593
<b>Total fund balances carried forward at 28 March</b>	<b>14</b>	<b>15,489</b>	<b>3,721</b>	<b>19,210</b>	<b>16,588</b>	<b>1,856</b>	<b>18,444</b>

All the above results derive from continuing activities and there were no gains or losses other than those shown above.  
The accompanying notes on pages 41 - 55 are an integral part of these financial statements.

## Royal Voluntary Service

### Balance sheets

	Notes	28-Mar-21		29-Mar-20	
		Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Fixed assets</b>					
Tangible fixed assets	10a	2,087	2,087	2,716	2,716
Intangible assets	10b	26	26	40	40
Investments	11a	11,063	11,063	10,800	10,800
Assets held for sale	10a	457	457	-	-
		<b>13,633</b>	<b>13,633</b>	<b>13,556</b>	<b>13,556</b>
<b>Current assets</b>					
Stocks		566	566	727	727
Debtors	12	2,351	2,127	2,386	2,273
Investments	11b	4,003	4,003	4,003	4,003
Cash at bank and in hand		5,262	3,975	4,736	3,439
		<b>12,182</b>	<b>10,671</b>	<b>11,852</b>	<b>10,442</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(6,605)</b>	<b>(6,381)</b>	<b>(6,964)</b>	<b>(6,865)</b>
<b>Net current assets</b>		<b>5,577</b>	<b>4,290</b>	<b>4,888</b>	<b>3,577</b>
<b>Total assets less current liabilities</b>		<b>19,210</b>	<b>17,923</b>	<b>18,444</b>	<b>17,133</b>
<b>Funds:</b>					
Restricted funds	14	<b>3,721</b>	<b>3,721</b>	<b>1,856</b>	<b>1,856</b>
Unrestricted funds					
- designated funds	14	<b>4,407</b>	<b>4,407</b>	<b>8,198</b>	<b>8,198</b>
- general funds	14	<b>11,082</b>	<b>9,795</b>	<b>8,390</b>	<b>7,079</b>
<b>Total funds</b>		<b>19,210</b>	<b>17,923</b>	<b>18,444</b>	<b>17,133</b>

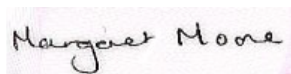
The parent company's net incoming resources/(resources expended) for the year ended 28 March 2021 totalled £790,000 (2020: £(5,171,000)). The

accompanying notes on pages 44 -55 are an integral part of these financial statements.

The financial statements on pages 38- 40 were approved and authorised for issue by the Board of Trustees on 14th September 2021 and were signed on its behalf by:



Stephen Dunmore OBE  
Chairman



Margaret Moore  
Trustee

**Royal Voluntary Service**  
**Consolidated cash flow statement**  
**for the year ended 28 March 2021**

	Notes	2021 £'000	2020 £'000
<b>Net cash used in operating activities</b>	a	<b>(1,461)</b>	<b>(5,714)</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		18	105
Purchases of property, plant and equipment		(41)	(18)
Proceeds from sale of fixed assets		336	263
Investment released to cash		1,649	6,637
Reinvested income into Fixed Asset Investments		-	(86)
Investment Management Fees		25	110
<b>Net cash provided by investing activities</b>		<b>1,987</b>	<b>7,011</b>
Change in cash and cash equivalents in reporting period		526	1,297
Cash and cash equivalents at beginning of reporting period		8,739	7,442
<b>Cash and cash equivalents at the end of the reporting period</b>	b	<b>9,265</b>	<b>8,739</b>
<b>Notes to the cash flow statement</b>			
<b>a) Reconciliation of cash flows from operating activities</b>		<b>2021</b>	<b>2000</b>
<b>operating activities</b>		<b>£'000</b>	<b>£'000</b>
Net (expenditure)/income		766	(5,149)
Adjustments for:			
Depreciation charges		123	147
Amortisation on intangibles		14	8
Fixed Asset Adjustment		-	(8)
Unrealised loss on investments		-	843
Realised gain on investments		(1,937)	(857)
(Profit) on disposal of assets		(246)	(200)
Dividends and interest from investments		(18)	(105)
Decrease in stocks		161	12
Decrease/(increase) in debtors		35	87
		(359)	(492)
<b>Net cash used in operating activities</b>		<b>(1,461)</b>	<b>(5,714)</b>
<b>b) Analysis of cash and cash equivalents</b>		<b>At 28 March</b>	<b>At 29 March</b>
		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand		5,262	4,736
Notice deposits (less than 3 months)		4,003	4,003
<b>Total cash and cash equivalents</b>		<b>9,265</b>	<b>8,739</b>



## Notes to Financial Statements for the year ended 28 March 2021

### 1 Principal accounting policies

#### a) Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, except where stated.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011, the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity has taken the exemption from presenting its unconsolidated SOFA under section 408 of Companies Act 2006. All income is accounted for on an accruals basis unless otherwise stated. The financial statements have been prepared to Sunday 28 March 2021 in line with the weekly income and cash returns which are received from our services.

Royal Voluntary Service is a charitable company limited by guarantee registered in England and Wales under company number 2520413. It is also a registered charity in England and Wales number 1015988 and in Scotland SC038924. The financial statements have been prepared on the basis that it is a public benefit entity under FRS102.

After making enquires, the trustees are not aware of material uncertainties that cast doubt on going concern and have a reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future as reflected in the Trustees' Report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### b) Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity and all its subsidiary undertakings made up to the balance sheet date. The results of subsidiary undertakings are included in the group accounts from their effective date of acquisition (or up to their effective date of disposal). The financial statements and balance sheets of all subsidiary companies have been consolidated on a line by line basis.

#### c) Grants receivable

##### i) Grant from the Ministry of Defence

Funding from the Ministry of Defence is accounted for on an accruals basis. Any funding received for payroll, operating and capital costs unappropriated at the end of each accounting period is deemed to be repayable apart from agreed disallowable expenses.

##### ii) Government Grants

Grants from government bodies are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

##### iii) Other capital grants

Other capital grants received towards the cost of tangible fixed assets are credited to the statement of financial activities in full in the year in which they are received and treated as restricted funds where applicable. Annual transfers of amounts equivalent to any depreciation charges reduce the restricted funds.

iv) Other grants are received for specific services from local authorities and are recognised in accordance with their terms and conditions.

#### d) Income from the provision of hospital services

Income receivable from services provided in hospital cafés and shops is accounted for on an accruals basis in line with the timing of the underlying transaction.

#### e) Income from the provision and delivery of meals

Income receivable from local authorities for the provision and delivery of meals is credited to the statement of financial activities in accordance with the terms of the contract with the relevant local authority.

#### f) Donations and other voluntary income

Donations are accounted for in the year in which they are receivable.

#### g) Trusts & lotteries

RVS received proceeds of lotteries held by Peoples Postcode Lottery (PPL). RVS has not ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal. Net proceeds due to RVS are recognised under lottery income in the statement of financial activities.

## Notes to Financial Statements for the year ended 28 March 2021

### 1 Principal accounting policies (continued)

#### h) Legacies receivable

Legacies are credited to the statement of financial activities when either the estate accounts or monies have been received. This uses the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement in accordance with the charities SORP FRS102.

#### i) Other charitable and trading income

Income is recognised in the statement of financial activities when there is evidence to entitlement to the gift or trading activity, receipt is probable and the amount can be measured reliably.

#### j) Expenditure

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and its charitable subsidiaries and includes direct staff attributable to the activity and an allocation of the general management and overhead costs. Support costs are apportioned based on cost drivers that reflect the type of activities carried on within the support departments.

Grants are given to hospitals and other institutions in line with the charity's objects and the amounts included represent the total cost incurred by the charity in the year and are recognised when a legal or constructive obligation exists which commits the charity to the cost.

Expenditure on raising voluntary income and on activities for raising funds comprises expenditure incurred by the charity in encouraging others to make contributions to it and apportioned overheads of the fundraising team.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, budgeting and accounting, quality assurance, human resources and information technology. Governance costs other than those disclosed specifically in the notes to these accounts are included within support costs and allocated on the same basis.

#### k) Governance

Governance costs are those associated with constitutional and statutory requirements, external audit, legal advice and insurance.

#### l) Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.

#### m) Tangible fixed assets

Purchased tangible fixed assets excluding office properties are recorded at cost or deemed cost, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Office properties were last valued in March 2014 and trustees were satisfied that this represented the fair value of the assets, which will be used as the basis for deemed cost going forward.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Depreciation on all other tangible assets is calculated so as to write off the cost or deemed cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic lives are given to each asset class unless there is a reason to use a different length of time:

Freehold buildings	50 years
Long leaseholds	Over the length of the lease
Short leaseholds	Over the length of the lease
Vehicles, IT, equipment and furniture	3-5 years

No depreciation is provided on freehold land, which is taken to be equal to 10% of the purchase price of the freehold land and buildings. Donated assets are included within the balance sheet at their current value at the date of the gift and also included within the statement of financial activities as income.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.

#### n) Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## Notes to Financial Statements for the year ended 28 March 2021

### 1 Principal accounting policies (continued)

#### o) Investments

Cash deposits not expected to be utilised within 12 months are included in fixed asset investments and are stated at cost. Current asset investments represent cash held on short term money market deposits and are stated at cost. The investment in the trading subsidiaries is also stated at cost.

#### p) Fund accounting

General funds comprise those monies that may be used towards meeting the charitable objectives of the group at the discretion of the Trustees. The restricted funds are monies raised for a specific purpose, or donations subject to donor imposed restrictions. The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.

#### q) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value.

#### r) Retirement benefits - defined contribution

For defined contribution schemes contributions are charged to the statement of financial activities as incurred.

#### s) Intangible fixed assets

Purchased intangible fixed assets are recorded at cost or carrying value, as at the date of transition to FRS102, when the cost of the expenditure is greater than £1,000.

Subsequent costs are included in an asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the charity and the cost of the item can be measured reliably.

Amortisation on all intangible assets is calculated so as to write off the cost, or valuation, of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis. The following useful economic life is given to each intangible asset unless there is a reason to use a different length of time:

Computer software	3 years
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Intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the recoverable amount is lower than the carrying amount. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell the asset and its value in use, are recognised as impairments. Impairment losses are recognised as expenditure in the statement of financial activities.

#### t) Financial instruments

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 have been applied in full, to all financial instruments.

Financial assets and financial liabilities are recognised when the Royal Voluntary Service becomes a party to the contractual provisions of the instrument, and are offset only when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### i) Financial assets

Financial assets include cash (incorporating short term money market deposits), trade debtors, intercompany debtors, other debtors and accrued income.

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

## Notes to Financial Statements for the year ended 28 March 2021

### 1 Principal accounting policies (continued)

#### t) Financial instruments (continued)

##### ii) Financial liabilities and equity

Financial liabilities include trade creditors, other creditors, finance leases, loans and accruals.

Financial instruments are classified as liabilities.

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### iii) Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### u) Redundancy and termination costs

Employee benefits paid on redundancy or termination include accrued amounts where RVS is demonstrably committed to make these payments but they had not yet been made at 28 March 2021.

All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

#### v) Deferred income

Grants that have been received will be treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

#### w) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Significant areas of estimate and judgement include contract income recognition; claw back provisions on grants; useful economic life of assets; impairment of assets; recoverability of debtors; redundancy, termination, dilapidations or onerous leases. Related accounting policies for these items are noted within these accounting policies.

#### x) Cash and cash equivalents

Cash and cash equivalents include deposits repayable on demand without penalty.

## Notes to Financial Statements for the year ended 28 March 2021

### 2 Voluntary income & Activities for generating funds

Group	2021			2020		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<b>Voluntary income:</b>						
Donations	924	3	927	896	23	919
Trusts & lotteries	1,810	2,831	4,641	4,484	1,986	6,470
Legacies	148	12	160	136	10	146
Other	-	22	22	-	70	70
<b>Total voluntary income</b>	<b>2,882</b>	<b>2,868</b>	<b>5,750</b>	<b>5,516</b>	<b>2,089</b>	<b>7,605</b>
Group	2021			2020		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<b>Activities for generating funds:</b>						
Property rental	3	-	3	106	-	106
Prize draws, raffles and corporate income	1,568	8	1,576	640	209	849
Fundraising & events	207	19	226	119	6	125
<b>Total activities for generating funds</b>	<b>1,778</b>	<b>27</b>	<b>1,805</b>	<b>865</b>	<b>215</b>	<b>1,080</b>

36% (2019-20: 45%) of the proceeds of the raffle were applied to good causes during the year.

### 3 Grants receivable

Group and Charity		2021	2020
Trusts & lotteries		£'000	£'000
People's Health Trust		278	361
Asda Foundation		326	168
Covid-19 Support Fund		1,997	-
National Lottery Community Fund (Rethink Good Health programme)*		(5)	931
Welsh Government (Sustainable Social Services Wales grant fund)		55	168
Jessie Spencer Trust		1	1
Shetland Charitable Trust		57	47
VSEF Small Grants		23	-
VSRF Small Grants		22	-
Julia & Hans Rausing		200	-
Players of People's Postcode Lottery (net income) (see note 4)		1,438	4,596
Other grants		249	198
<b>Total grants receivable (included within voluntary income)</b>		<b>4,641</b>	<b>6,470</b>
Group and Charity		2021	2020
Income from charitable activities		£'000	£'000
Coronavirus Job Retention Scheme		2,728	-
Leeds Social Service		204	204
Voluntary Action Rotherham		32	30
National Lottery Community Fund (People & Places)		19	134
<b>Total grants receivable (included within income from charitable activity)</b>		<b>2,983</b>	<b>368</b>

\* During the year unspent grant was returned to Big Lottery Fund.

### 4 Lottery Income

Lottery income included in Trusts and lotteries in Note 2 and 3 reflects the proceeds from the People's Postcode Lottery (PPL). Royal Voluntary Service has continued to utilise the funds generated in prior years and remaining income is designated in note 14(n).

	2021	2020
	£'000	£'000
People's Postcode Lottery ticket value	3,981	12,981
People's Postcode Lottery prize fund	(1,562)	(5,187)
People's Postcode Lottery management fee	(951)	(3,193)
Prize indemnity insurance	(30)	(5)
<b>Total net lottery income</b>	<b>1,438</b>	<b>4,596</b>

Royal Voluntary Service also run raffles during the year the income and expenditure relating to these draws are reported within Activities for generating funds on the Statement of Financial Activities.

### 5 Investment income

Group		2021	2020
		£'000	£'000
Income from fixed asset investments		-	86
Bank interest		18	19
<b>Total investment income</b>		<b>18</b>	<b>105</b>

## Notes to Financial Statements for the year ended 28 March 2021

6 Total Expenditure - Group	Other	Direct costs	Support costs	2021	Other	Direct costs	Support costs	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital services	417	11,649	3,413	15,479	2,472	32,841	4,408	39,721
Community services	-	13,707	4,309	18,016	-	7,468	7,368	14,836
Services welfare	-	2,130	-	2,130	-	2,287	-	2,287
Fundraising*	-	686	903	1,589	-	908	1,052	1,960
Investment management costs	-	25	-	25	-	110	-	110
<b>Total expenditure</b>	<b>417</b>	<b>28,197</b>	<b>8,625</b>	<b>37,239</b>	<b>2,472</b>	<b>43,614</b>	<b>12,828</b>	<b>58,914</b>

Included within 'Hospital services' expenditure above are costs of inventories expensed of £4.3m (2019-20: £21.5m). Included in Other is £417k (2019-20: £2,472k) given to hospitals, NHS Trusts and similar institutions in line with the charity's objects and the amounts represent the total cost incurred by the group in the year.

The support costs of the charity have been allocated on the basis of time spent by departments supporting the various activities and are made up of several functions such as finance, personnel, IT and communications.

	Hospital services	Community services	Fundraising*	2020	
Support costs comprise:	£'000	£'000	£'000	£'000	Basis
Governance	468	518	-	986	No. people
Operations	1,980	2,722	-	4,702	Direct allocation
Marketing	366	1,279	-	1,645	No. services
IT	589	1,175	-	1,764	Direct and time allocated
Fundraising*	-	-	1,052	1,052	Direct allocation
Human Resources & Training	380	380	-	760	No. operational people
Central services	557	1,057	-	1,614	Allocation of duties
Properties	68	237	-	305	Number of services
<b>Total Support</b>	<b>4,408</b>	<b>7,368</b>	<b>1,052</b>	<b>12,828</b>	

	Hospital services	Community services	Fundraising*	2021	
Support costs comprise:	£'000	£'000	£'000	£'000	Basis
Governance	376	417	-	793	No. people
Operations	1,606	916	-	2,522	Direct allocation
Marketing	149	522	-	671	No. services
IT	531	1,058	-	1,589	Direct and time allocated
Fundraising*	-	-	903	903	Direct allocation
Human Resources & Training	314	314	-	628	No. operational people
Central services	386	902	-	1,288	Allocation of duties
Properties	51	180	-	231	Number of services
<b>Total Support</b>	<b>3,413</b>	<b>4,309</b>	<b>903</b>	<b>8,625</b>	

\*Fundraising represents expenditure on raising voluntary income and raising funds in the statement of financial activities.

Reduction in overheads by £4,203k reflect the redeployment of staff to work on the national contracts, resulting in reduced centrally salary costs; lower marketing (branding/advertising for volunteers); reduced running costs; and staff vacancies.

This expenditure is stated after charging:

### Auditor's remuneration in the year:

Fees payable to the charity auditor for the audit of the parent charity and the consolidation

Fees payable to the charity auditor and its associates for other services:

- The audit of the charity's subsidiaries pursuant to legislation

### Depreciation - tangible fixed assets

### Amortisation - intangible fixed assets

### Operating lease rentals

- land and buildings

- other

2021	2020
£'000	£'000
48	49
2	1
-	-
123	147
14	8
1,319	2,074
143	208

## Notes to Financial Statements for the year ended 28 March 2021

### 7 Staff costs and Trustees' remuneration

#### Group

Staff costs during the year were as follows:

	2021 £'000	2020 £'000
Wages and salaries	14,795	17,357
Social security costs	1,120	1,380
Other pension costs	617	713
<b>Subtotal staff costs</b>	<b>16,532</b>	<b>19,450</b>
Redundancy	237	711
Other staff costs	499	957
<b>Total staff costs</b>	<b>17,268</b>	<b>21,118</b>

The number of employees who earned £60,000 p.a. or more (including taxable benefits) during the year was as follows:

	Excluding Severance		Including Severance	
	2021 No.	2020 No.	2021 No.	2020 No.
£60,001 - £70,000	2	2	3	2
£70,001 - £80,000	4	3	4	3
£80,001 - £90,000	2	2	2	2
£90,001 - £100,000	-	2	-	2
£100,001-£110,000	2	1	2	1
£110,001-£120,000	1	2	1	2
£120,001-£130,000	-	1	-	1
£130,001-£140,000	-	-	-	-
£140,001-£150,000	-	-	-	-
£150,001-£160,000	1	-	1	-
£160,001-£170,000	-	1	-	1
£170,001-£180,000	-	-	-	-

The total contribution in the year for the provision of money purchase pension benefits was £126,102 (2019-20: £103,844) in respect of higher paid employees. At the year-end there were 12 (2019-20: 10) higher paid staff with benefits accruing under a money purchase scheme and no higher paid staff with benefits accruing under defined benefit schemes.

The key management personnel comprise the Executive Team members in post during the financial year ending 28 March 2021. The total salary including benefits of the key management personnel was £561k (2019-20: £554k).

The average number of employees of the group, analysed by function was:

	2021 No.	2020 No.
Operations	754	858
Support	156	197
	<b>910</b>	<b>1,055</b>
Full time	362	436
Part time	547	619
	<b>909</b>	<b>1,055</b>
FTE Equivalent	<b>648</b>	<b>768</b>

No Trustees received remuneration for any services as Trustees during the year to 28 March 2021 (2019-20: Nil). Expenses reimbursed to, or incurred on behalf of, all Trustees during the year were as follows:

	2021 £'000	2020 £'000
Trustee travel expenses	-	1

### 8 Indemnity insurance

During the year, the group and charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any Trustee and to indemnify any Trustee against the consequence of any wrongful act on their part other than any actual dishonest, fraudulent, or malicious act. The total cover provided by the Charity Trustee insurance is £5.0m (2019-20: £5.0m) and Professional Indemnity is £5.0m (2019-20: £5.0m) and the total premium paid in respect of such insurance was £21,632 (2019-20: £18,325).

### 9 Taxation

Royal Voluntary Service is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiary, Royal Voluntary Service Meals on Wheels Limited, has not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Both subsidiaries are registered for VAT as part of the group.

# Notes to Financial Statements for the year ended 28 March 2021

## 10 Fixed assets

### (a) Tangible fixed assets

Group (including Charity)	Asset held for sale £'000	Freehold land and buildings £'000	Leasehold buildings long £'000	Leasehold buildings short £'000	Vehicles, IT, equipment and furniture £'000	Total Tangible Assets £'000
<b>Cost</b>						
At 1 April 2019	-	2,728	655	-	5,853	9,236
Additions	-	-	-	-	18	18
Disposals	-	(105)	-	-	(9)	(114)
<b>At 29 March 2020</b>	<b>-</b>	<b>2,623</b>	<b>655</b>	<b>-</b>	<b>5,862</b>	<b>9,140</b>
<b>Depreciation &amp; impairment</b>						
At 1 April 2019	-	420	309	-	5,607	6,336
Charge for year	-	67	6	-	74	147
Disposals	-	(50)	-	-	(9)	(59)
<b>At 29 March 2020</b>	<b>-</b>	<b>437</b>	<b>315</b>	<b>-</b>	<b>5,672</b>	<b>6,424</b>
<b>Net book values</b>						
<b>At 29 March 2020</b>	<b>-</b>	<b>2,186</b>	<b>340</b>	<b>-</b>	<b>190</b>	<b>2,716</b>
<b>Cost</b>						
At 30 March 2020	-	2,623	655	-	5,862	9,140
Additions	-	-	-	-	41	41
Disposals	-	(105)	-	-	-	(105)
Transfer between classes	550	(550)	-	-	-	-
<b>At 28 March 2021</b>	<b>550</b>	<b>1,968</b>	<b>655</b>	<b>-</b>	<b>5,903</b>	<b>9,076</b>
<b>Depreciation &amp; impairment</b>						
At 30 March 2020	-	437	315	-	5,672	6,424
Charge for year	-	60	7	-	56	123
Disposals	-	(15)	-	-	-	(15)
Transfer between classes	93	(93)	-	-	-	-
<b>At 28 March 2021</b>	<b>93</b>	<b>389</b>	<b>322</b>	<b>-</b>	<b>5,728</b>	<b>6,532</b>
<b>Net book values</b>						
<b>At 28 March 2021</b>	<b>457</b>	<b>1,579</b>	<b>333</b>	<b>-</b>	<b>175</b>	<b>2,544</b>

Included in freehold land and buildings and leasehold land and buildings are office properties at a deemed cost of £1.1m, this was fair value at transition to FRS 102 (historic cost of £1.5m) at 27 March 2016. If office properties were held on an historic cost basis, the amounts included after depreciation would be £1.2m (2019-20: £1.2m).



## Notes to Financial Statements for the year ended 28 March 2021

### (b) Intangible fixed assets

Group (including Charity)	Intangible Assets Under Construction £'000	Intangible Assets £'000	Total Intangible Assets £'000
<b>Cost</b>			
At 1 April 2019	39	1,674	1,713
Transfer between classes	(39)	39	-
<b>At 29 March 2020</b>	<b>-</b>	<b>1,713</b>	<b>1,713</b>
<b>Amortisation &amp; impairment</b>			
At 1 April 2019	-	1,665	1,665
Charge for year	-	8	8
<b>At 29 March 2020</b>	<b>-</b>	<b>1,673</b>	<b>1,673</b>
<b>Net book values</b>			
<b>At 29 March 2020</b>	<b>-</b>	<b>40</b>	<b>40</b>
<b>Cost</b>			
At 30 March 2020	-	1,713	1,713
Additions	-	-	-
<b>At 28 March 2021</b>	<b>-</b>	<b>1,713</b>	<b>1,713</b>
<b>Amortisation &amp; impairment</b>			
At 30 March 2020	-	1,673	1,673
Charge for year	-	14	14
<b>At 28 March 2021</b>	<b>-</b>	<b>1,687</b>	<b>1,687</b>
<b>Net book values</b>			
<b>At 28 March 2021</b>	<b>-</b>	<b>26</b>	<b>26</b>

## Notes to Financial Statements for the year ended 28 March 2021

### 11 a) Fixed asset investments

Group and Charity	Cash & Securities	Cash & Securities
	2021 £'000	2020 £'000
Market value at 30 March 2020	10,800	17,447
Reinvested Income	-	86
Investment Management Fees	(25)	(110)
Investment released to cash	(1,649)	(6,637)
Increase in value of investment	1,937	14
<b>Market value at 28 March 2021</b>	<b>11,063</b>	<b>10,800</b>
Historic cost	11,063	11,350
Unrealised gain	-	(550)
<b>Market value at 28 March 2021</b>	<b>11,063</b>	<b>10,800</b>

Securities held at 28 March 2021 comprised the following:

	2021 £'000	2020 £'000
Equity	-	6,483
Bonds	-	2,086
Cash & other	11,063	2,231
<b>Fair value</b>	<b>11,063</b>	<b>10,800</b>

### Charity

In addition to the investments shown above, the charity holds shares in subsidiary companies at a cost of £13 (2019-20 :£13). Royal Voluntary Service has 2 wholly owned subsidiary companies. All companies are incorporated in England. A summary of the activities and financial position of the subsidiaries is given in the table below:

	Income £'000	Expenditure £'000	Net surplus/(deficit) before distribution under gift aid £'000	Net Assets £'000
<b>2021</b>				
<b>Royal Voluntary Service Meals on Wheels Limited (company number 2778481)</b>	-	2	(2)	995
The provision and delivery of meals to those in need in their home *				
<b>WRVS Services Welfare Limited (company number 2778476)</b>	2,374	2,394	(20)	298
The provision of welfare and support to army service men and women serving on military bases throughout the world				
<b>2020</b>				
<b>Royal Voluntary Service Meals on Wheels Limited (company number 2778481)</b>	-	(6)	6	997
The provision and delivery of meals to those in need in their home *				
<b>WRVS Services Welfare Limited (company number 2778476)</b>	2,472	2,474	(2)	318
The provision of welfare and support to army service men and women serving on military bases throughout the world				

\* At the date of signing the accounts it is intend to cease trading of the company and it will become dormant from 28 March 2021.

### b) Current asset investments

#### Group and Charity

This is cash held on short-term money market deposits to maximise return while enabling Royal Voluntary Service to meet potential short-term liabilities.

## Notes to Financial Statements for the year ended 28 March 2021

### 12 Debtors

	2021		2020	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade debtors	821	591	1,344	1,099
Other debtors	29	29	19	19
Amounts due from group undertakings*	-	25	-	155
Prepayments and accrued income	1,501	1,482	1,023	1,000
	<b>2,351</b>	<b>2,127</b>	<b>2,386</b>	<b>2,273</b>

\*The amounts due from group undertakings are trading balances and are therefore unsecured and do not attract interest.

Included in the group figures above are £1,873k of assets at amortised cost (2019-20: £1,913k). Included in the charity figures above are £1,658k of assets at amortised cost (2019-20: £1,807k). There are no assets measured at fair value through profit or loss.

### 13 Creditors: amounts falling due within one year

	2021		2020	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade creditors	1,217	1,216	1,888	1,884
Social security and other taxes	417	280	885	845
Other creditors	139	117	452	428
Accruals and deferred income	3,499	3,435	2,311	2,280
Amounts due to hospitals	1,333	1,333	1,428	1,428
	<b>6,605</b>	<b>6,381</b>	<b>6,964</b>	<b>6,865</b>

Included in the group figures above are £4,889k of liabilities at amortised cost (2019-20: £5,791k). Included in the charity figures above are £4,801k of liabilities at amortised cost (2019-20: £5,732k). There are no liabilities measured at fair value through profit or loss.

Pension commitments are detailed in Note 18.

### Deferred income movement

	2021		2020	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Balance at 30 March 2020	288	288	227	227
Amount released in the year	(165)	(165)	(116)	(116)
Amount deferred in the year	1,176	1,176	177	177
Balance at 28th March 2021	<b>1,299</b>	<b>1,299</b>	<b>288</b>	<b>288</b>

Deferred income relates to contract income and local authority grants which have been received to carry out community services and where the terms and conditions state that any underspend is repayable, or is received in advance of the period to which it relates.

## Notes to Financial Statements for the year ended 28 March 2021

### 14 Funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes. The transfer of funds represent:

- movement of funds where the restriction or designation has been expended or lifted
- release of funds back to general reserves where projects in designated reserves have been completed and costs are below budget
- the creation of community services funds and closed hospital reserves out of the main hospital fund
- newly designated strategic funds during the year
- a transfer of funds from general reserves to hospital funds for sites that are underperforming and require central funds

Group	Note	Movement in funds			
		At 1 April 2019	Income & gains	Expenditure & losses	At 29 March 2020
		£'000	£'000	£'000	£'000
<b>Restricted funds</b>					
Legacy fund	(a)	629	10	(142)	497
Fixed asset fund	(b)	94	-	(2)	92
Community centres fund	(c)	557	-	(16)	541
Other funds	(d)	956	2,294	(2,524)	726
<b>Total restricted funds</b>		<b>2,236</b>	<b>2,304</b>	<b>(2,684)</b>	<b>1,856</b>
<b>Designated funds</b>					
Hospital fund	(e)	5,799	23,027	(24,700)	1,423
Community services commitments	(e)	475	-	(475)	-
Closed hospital reserves	(e)	655	-	(200)	(455)
Fixed asset fund	(f)	2,140	-	(132)	2,008
Community centres fund	(c)	118	-	(3)	115
Community bank accounts	(g)	931	785	(766)	30
Strategic Fund - Investment	(i)	180	-	(58)	122
Players of People's Postcode Lottery projects	(k)	1,880	3,104	(2,571)	2,413
Technology Transformation Programme	(m)	1,704	-	(567)	1,137
<b>Total designated funds</b>		<b>13,882</b>	<b>26,916</b>	<b>(29,472)</b>	<b>8,198</b>
<b>General funds</b>		<b>7,475</b>	<b>24,545</b>	<b>(26,758)</b>	<b>8,390</b>
<b>Total unrestricted funds</b>		<b>21,357</b>	<b>51,461</b>	<b>(56,230)</b>	<b>16,588</b>
<b>Total funds</b>		<b>23,593</b>	<b>53,765</b>	<b>(58,914)</b>	<b>18,444</b>

		At 30 March 2020	Income & gains	Expenditure & losses	Transfers	At 28 March 2021
		£'000	£'000	£'000	£'000	£'000
<b>Restricted funds</b>						
Legacy fund	(a)	497	12	(26)	-	483
Fixed asset fund	(b)	92	-	(2)	(90)	-
Community centres fund	(c)	541	-	(32)	-	509
Other funds	(d)	726	3,123	(1,120)	-	2,729
<b>Total restricted funds</b>		<b>1,856</b>	<b>3,135</b>	<b>(1,180)</b>	<b>(90)</b>	<b>3,721</b>
<b>Designated funds</b>						
Hospital fund	(e)	1,423	3,398	(5,610)	985	196
Fixed asset fund	(f)	2,008	-	(93)	90	2,005
Community centres fund	(c)	115	-	(60)	-	55
Community bank accounts	(g)	980	166	(181)	-	965
Strategic Investment - Retail Branding	(i)	122	-	-	(60)	62
Peoples Postcode Lottery - 2017-18	(k)	30	-	(30)	-	-
Peoples Postcode Lottery - 2019-20	(k)	1,121	-	(958)	(163)	-
Peoples Postcode Lottery - 2020-21	(k)	1,262	1,415	(1,320)	(1,194)	163
Strategic Investment - TTP	(m)	637	-	(497)	-	140
Strategic Investment - CRM/VMS	(m)	500	-	(14)	-	486
Community Grants	(h)	-	-	-	150	150
Development fund	(j)	-	246	(61)	-	185
<b>Total designated funds</b>		<b>8,198</b>	<b>5,225</b>	<b>(8,824)</b>	<b>(192)</b>	<b>4,407</b>
<b>General funds</b>		<b>8,390</b>	<b>29,645</b>	<b>(27,235)</b>	<b>282</b>	<b>11,082</b>
<b>Total unrestricted funds</b>		<b>16,588</b>	<b>34,870</b>	<b>(36,059)</b>	<b>90</b>	<b>15,489</b>
<b>Total funds</b>		<b>18,444</b>	<b>38,005</b>	<b>(37,239)</b>	<b>-</b>	<b>19,210</b>

## Notes to Financial Statements for the year ended 28 March 2021

### 14 Funds (continued)

The specific purposes for which the restricted funds must be applied are as follows:

- a) The legacy fund comprises monies that must be used according to specific terms laid down by the legator. The fund is represented by the level of outstanding restricted legacies.
- b) This represents the net book value of properties purchased with restricted funds and the balance reduces each year with the relevant depreciation charge. A transfer of £90k represents the release of the net book value for Isobel Blackman Centre which was disposed in year.
- c) The community centres fund represents funding from donors for the enhancement of community centres. The depreciation of the capital cost, which is included in fixed assets, is charged against this fund.
- d) Other funds represent trust and corporate income received which is to be spent in accordance with the wishes of the donor and will be expended in the following year.
- e) Hospital fund. Royal Voluntary Service has a commitment over a period to direct the 'surplus' earned in certain hospital services either to that hospital, for refurbishment of that service or to development RVS community services. The Trustees believe that these general commitments should be treated as unrestricted designated funds. Royal Voluntary Service is working with the trusts to expend these reserves in line with lease expectations and agreed timeframes. In 2020-21, the transfer of funds of £985k from general reserves represent the consolidated losses in the year for NHS Trusts.
- f) The fixed asset fund represents the written down value of tangible fixed assets, excluding those held for sale, as restricted funds or other designated funds and will be expended in line with depreciation policies.
- g) Community bank account fund represents those funds held in community project bank accounts that have been raised by community projects, and for which the Trustees consider the funds raised should be used in the community project that the money has been raised by.
- h) Community Grants - Royal Voluntary Service are the delivery partner for the NHS Volunteer Responders programme (NHSVR). NHSVR has been set up by NHS England and NHS Improvement, working with Royal Voluntary Service and the GoodSAM app. NHSVR has a clear focus on reducing inequalities across communities as a result of the COVID-19 pandemic. Many communities have suffered disproportionately, so actions need to take place to ensure a fair and just recovery. NHSVR funded the accessibility grants programme to provide first-line practical and signposting support in the post-pandemic recovery that paves the way for longer-term rebuilding of community resilience and reducing the inequalities exacerbated by Covid-19. The grant is due to be expended by March 2022.
- i) The Strategic Fund Investment has been set up in line with our strategic objective to Grow Retail including refurbishment of 17 key hospital shops and cafes, finalising the rebranding roll out and securing leases for future income generation. All funds to be expended by March 2022 (following delay due to Covid-19 pandemic).
- j) Development Fund - during 2020-21 £246k fund has been set up to cover improvements in retail. During the year funds have been expended on scoping a new Electronic Point of Sale system. The fund will be fully expended by March 2023.
- k) Players of People's Postcode Lottery projects include supporting volunteer led activities, funding community engagement workers, developing a dementia friendly Royal Voluntary Service, working with carers and frailer older people and investing in our hospital trolleys. These projects will now completed before the end of March 2022 after a slight delay due to the pandemic.
- m) Technology Transformation Programme - following a thorough review of our IT systems and processes, investment over 2 years was approved by the Trustees. The TTP Funds funds will be expended by March 2022, with the CRM/VMS funding anticipated to be spent by March 2023.

## Notes to Financial Statements for the year ended 28 March 2021

### 15 Analysis of net assets between funds

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
2020				
Fund balances at 29 March 2020 are represented by:				
Fixed assets	-	2,123	633	2,756
Fixed asset investments	9,377	1,423	-	10,800
Net current assets	(987)	4,652	1,223	4,888
<b>Net assets</b>	<b>8,390</b>	<b>8,198</b>	<b>1,856</b>	<b>18,444</b>
2021				
Fund balances at 28 March 2021 are represented by:				
Fixed assets	-	2,061	509	2,570
Fixed asset investments	11,063	-	-	11,063
Net current assets	19	2,346	3,212	5,577
<b>Net assets</b>	<b>11,082</b>	<b>4,407</b>	<b>3,721</b>	<b>19,210</b>

### 16 Financial and capital commitments

#### Operating leases

At 28 March 2021 the commitments under non-cancellable operating leases were as follows:

Group	Land and buildings		Other	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Expiring:				
- within one year	572	369	11	5
- within two to five years	1,607	1,091	8	-
- thereafter	1,210	1,381	-	-
<b>Total</b>	<b>3,389</b>	<b>2,841</b>	<b>19</b>	<b>5</b>

#### Capital commitments

At 28 March 2021 the group and charity had no capital commitments (2019-20: £37k).

### 17 Related parties

The only relevant related party transactions as required by FRS102 at 28 March 2021 are with the subsidiaries of the charity:

#### Charity intercompany balances at year end

	2021 £'000	2020 £'000
WRVS Services Welfare Limited	25	155
Royal Voluntary Service Meals on Wheels Limited	-	-
	<b>25</b>	<b>155</b>

In 2020-21 the following transactions took place between the charity and its wholly owned subsidiaries:

#### WRVS Services Welfare Limited

Payments are made on behalf of WRVS Services Welfare Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC. No recharges are made from the charity in relation to overheads as the amounts are immaterial. The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

#### Royal Voluntary Service Meals on Wheels Limited

The transfer under gift aid of the trading profits of Royal Voluntary Service Meals on Wheels Limited to the charity of £ nil (2019-20 £32k). The registered office is Royal Voluntary Service, Cardiff Gate, Beck Court, Cardiff Gate Business Park, Cardiff, CF23 8RP.

Payments are made on behalf of Royal Voluntary Service Meals on Wheels Limited by the charity to enable efficient management of creditors. These payments are recharged via the intercompany which is periodically settled with a cash transfer. These transactions include trade creditors and HMRC. No recharges are made from the charity in relation to overheads as the amounts are immaterial.

## Notes to Financial Statements for the year ended 28 March 2021

### 18 Analysis of changes in net debt

	At start of year	Cash-flows	Fair Value Movement	At end of year
2020	£'000	£'000	£'000	£'000
Cash	7,442	(2,706)	-	4,736
Cash equivalents	-	4,003	-	4,003
<b>Total</b>	<b>7,442</b>	<b>1,297</b>	<b>-</b>	<b>8,739</b>

	At start of year	Cash-flows	Fair Value	At end of year
2021	£'000	£'000	£'000	£'000
Cash	4,736	526	-	5,262
Cash equivalents	4,003	-	-	4,003
<b>Total</b>	<b>8,739</b>	<b>526</b>	<b>-</b>	<b>9,265</b>