

VOLUNTEERING MATTERS

England & Wales · Charity number 291222

Details

Other names	COMMUNITY SERVICE TRUST, CSV, CSV (COMMUNITY SERVICE VOLUNTEERS)
Status	Registered
Legal form	Charitable company
Company number	01435877
Registered	1985-02-22
Register	View on the Charity Commission register

Contact

Address	The Levy Centre 22-24 Lower Clapton Road London E5 0PD
Phone	02037805870
Email	info@volunteeringmatters.org.uk
Website	www.volunteeringmatters.org.uk

Activities

Objects: 2 Objects2.1 The Charity's objects are restricted specifically, in each case, only for the public benefit to:(a) The advancement of community development for the public benefit through the promotion of volunteering. (b) the advancement of education and training including (but without limitation) of persons who, due to their social or economic circumstances or otherwise, are in need and unable to gain employment in the United Kingdom.2.2 Nothing in these Articles shall authorise an application of the property of the Charity for purposes which are not charitable in accordance with any statutory provision regarding the meaning of the word "charitable" or the words "charitable purposes" in force in any part of the United Kingdom including (without limitation) an application of the property of the Charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005.

Activities: TO ENABLE AND SUPPORT PEOPLE TO BE ACTIVE CITIZENS AND PLAY A ROLE IN THEIR COMMUNITY THROUGH VOLUNTEERING. WE DEVELOP AND DELIVER HIGH IMPACT VOLUNTEER-LED SOLUTIONS TO TACKLE SOME OF THE MOST DIFFICULT CHALLENGES FACING INDIVIDUALS AND THEIR COMMUNITIES TODAY. WE FOCUS ON THE NEEDS OF FOUR DISTINCT COMMUNITIES; OLDER AND RETIRED PEOPLE, DISABLED PEOPLE, VULNERABLE FAMILIES AND

YOUNG PEOPLE.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** IN VARIOUS PARTS OF THE WORLD, IN PARTICULAR THE UK
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,695,000	£5,815,000	£1,317,000	142
2024-03-31	£5,979,000	£6,585,000	£1,437,000	155
2023-03-31	£22,827,000	£14,478,000	£993,000	197
2022-03-31	£7,333,000	£7,778,000	£-7,326,000	188
2021-03-31	£5,202,000	£5,548,000	£1,769,000	122

Trustees

Name	Role	Appointed
Dr Peta Foxall	Chair	2024-10-10
Christopher Ivan Ridgers		2026-03-05
Julie-Anne Jamieson		2021-04-01
Katrina Lambert		2020-03-17
Kostakis Bouzoukas		2026-03-05
Moawia Bin-Sufyan		2023-09-28
Simon Judge		2020-03-17
Sophie Colella		2026-03-05
Zara Todd		2020-03-17

VOLUNTEERING MATTERS

England & Wales - Charity number 291222

Accounts

VOLUNTEERING MATTERS

Trustees' Annual Report and Financial Statements

Year ending 31 March 2025



Contents

Chair's Report	3
Chief Executive's Report	5
Report of the Trustees including the Strategic Report	8
Independent Auditor's Report to the Trustees	18
Volunteering Matters Statement of Financial Activities	23
Volunteering Matters Balance Sheet	24
Volunteering Matters Statement of Cash Flows	25
Notes to the Financial Statements	27

Chair's Report

I am proud to present this year's annual report and financial statements for Volunteering Matters.

It has been a year of purpose, resilience, and progress, as we continue to harness the power of volunteering to create stronger and fairer communities across the UK.

Volunteering Matters exists because we believe that volunteering should be inclusive, transformative, and led by the people closest to the issues that matter most. Over the past year, our work has remained rooted in that belief and supported thousands of volunteers to connect, lead, and create positive change in their communities.

This year, we made significant strides in stabilising our financial position, delivering impact through flagship programmes, and aligning our operations with a bold, future-facing strategy. We completed a vital phase of organisational restructuring, creating a more agile, efficient model better suited to today's challenges. We embedded new systems to improve how we manage people, data and finances, and have taken steps to ensure a more robust approach to risk, compliance and governance.

We have worked hard to reduce historic deficits and spearhead a financial recovery plan that prioritises long-term sustainability. Although the year-end position was not as strong as we had hoped - due to delays in public funding linked to the General Election, intense demand on grant-makers, and continuing cuts in local authority budgets - we entered 2025 in a far stronger position. The early part of this new financial year has seen significant progress, and it is clear that the sound financial management, improved forecasting, and leaner operating structure we put in place are now beginning to turn the picture around. Encouragingly, several multi-year funding awards have been secured, our

new business pipeline is tracking ahead of target, and confidence among partners and funders is visibly strengthening.

We are also actively working to diversify our income base - building new relationships with corporate partners, exploring major donor and philanthropic opportunities, and strengthening our earned income potential where appropriate. Unrestricted income remains a key priority, and the Trustees and executive team continue to closely monitor performance against our financial recovery plan. All financial decisions are aligned to our charitable objectives and long-term strategic goals, ensuring that we can continue to invest in volunteer-led social action where it is needed most.

This year, we welcomed nearly 2,000 more volunteers than in the previous year — proof of a growing appetite for meaningful community involvement and our ability to connect people with purpose. These volunteers came from all walks of life, spanning all ages and communities across the UK. As a result, we reached 20% more beneficiaries, demonstrating both the scale and depth of our programmes' impact through national programmes like Grandmentors, Action Earth, Family Mentors, and RSVP (Retired and Senior Volunteer Programme), we have tackled loneliness, improved health and wellbeing, empowered young people, supported intergenerational connection, and reduced barriers to opportunity. Alongside these flagship programmes, we are incredibly proud of the many diverse, small-scale, volunteer-led projects rooted in communities across the UK. These locally driven initiatives are often the first to respond to emerging needs—providing practical support, trusted relationships, and deep community connection in ways that statutory services may lack the

capacity, pathways, or local trust to deliver.

We have also strengthened our partnerships across the sector and contributed to national policy conversations on the role of volunteering in civil society. A particular highlight this year has been our role in shaping and delivering the National Youth Strategy in partnership with UK Youth, the #iWill Movement and other sector leaders. This work has championed the voice and leadership of young people and reinforced the importance of youth-led social action as a route to tackling inequality, building confidence and creating fairer futures. We are proud to stand alongside a generation of young changemakers, and to help ensure their priorities are reflected in national policy and investment.

We were also delighted to continue our long-standing relationship with key funders and partners, including the People's Postcode Lottery, national governments, and local authorities. These partnerships have been vital in sustaining our programmes and amplifying our impact across communities.

This year has not been without its challenges. Like many charities, we have faced inflationary pressures, rising demand, and an increasingly complex external environment. However, we have responded with care and clarity - grounded in our values, guided by lived experience, and supported by a skilled and committed staff and volunteer team.

I would like to extend my heartfelt thanks to our Chief Executive, Amanda Naylor OBE, whose vision and leadership have guided Volunteering Matters through a

significant period of transformation. I also want to recognise the highly talented executive leadership team, whose expertise, creativity and resolve have been instrumental in driving our strategy forward and delivering impact across all parts of the organisation. And of course, sincere thanks to my fellow Trustees, our volunteers, partners, and all staff for their unwavering commitment to the mission of Volunteering Matters.

As we look ahead, we remain focused on building a volunteering ecosystem that is inclusive, equitable, and ready to meet the needs of our time. We will continue to advocate for volunteering as essential social infrastructure and for the people and communities who make it happen every day.

Peta Foxall CBE
Chair of the Board of Trustees
Volunteering Matters



Chief Executive's Report

It has been another year of both challenge and progress at Volunteering Matters. Amidst economic pressure, political uncertainty and deepening inequality, our belief in the power of volunteering to connect people, improve wellbeing and create social change has remained resolute.

Advancing Our Mission

Throughout the year, we sharpened our focus on how we design and deliver volunteer-led programmes that are data driven and centre mutuality, agency, and impact. We recruited and retained more volunteers than the previous few years, reaching more people and tackling inequalities with purpose.

We embedded our communities and programmes model to enhance local delivery and national reach — aligning more effectively with regional needs while ensuring a coherent, scalable approach to volunteering. Our programmes continue to span youth-led, intergenerational, older people and diverse demographic community-based volunteers, each contributing meaningfully to the fabric of UK civil society.

From environmental action in Scotland through **Action Earth**, to older people's projects in Wales such as **Welcome Friends** (Rhondda Cynon Taf & Merthyr Tydfil), rooted in the *Well-being of Future Generations Act*, and health and social care initiatives like the continued evolution of **Grandmentors** and **Family Mentors** in England — we have strengthened our approach to walking alongside communities and co-creating lasting change.

Centre Stage: Volunteer-Led Innovation

Over 12,000 volunteers contributed their time and talent this year — mentoring, campaigning, organising, befriending, practically helping and connecting. Their leadership and lived experience remain the cornerstone of our approach.

We prioritised access and inclusion, with programmes like *LifeLines*, *SAFE* and *Match and Mentor* breaking down barriers for disabled people and those furthest from opportunity. These projects remind us that truly inclusive volunteering must be built *with* communities, not simply offered *to* them.

Our employee volunteering offer also grew, enabling corporate teams to make meaningful contributions in partnership with grassroots organisations. We ensured that volunteering days were not transactional but built around the needs and aspirations of communities — making corporate partnerships more impactful and values-driven and connecting them to the purpose of charities and community organisations.

Meanwhile, the further integration of #iWill and RSVP into our wider ecosystem reflects our commitment to youth-led and older-people-led social action. These networks are now central to our ambitions to scale *Towns and Cities of Social Action*, creating places where volunteering and community-led systems change is interwoven into daily life and civic infrastructure.

Volunteering in Health and Social Care

One of the most promising developments this year has been the expanding role of volunteering within the health and care landscape.

Programmes such as *Sporting Chance* in Stockton, *Home from Hospital* initiatives, and *Community Connectors* in Suffolk are tackling key health challenges — preventing deterioration in wellbeing, reducing isolation, and easing pressure on overstretched NHS and social care

systems. Nationwide, our befriending schemes and walking groups continue to tackle loneliness and support older people and carers to stay active, connected and well. These aren't just helpful extras — they are foundational to a more resilient, preventative and neighbourhood-powered model of health and wellbeing.

In Forth Valley Scotland, our RSVP hearing aid maintenance service is a standout example of peer-led innovation. Delivered by trained volunteers, many with lived experience of hearing loss, the service provides cleaning, maintenance, and advice (as well as a friendly chat, a cup of tea and social interaction) — freeing up NHS audiologists to focus on more specialist care. The result is a more efficient system, improved patient experience, and significantly faster access to support, with weekly drop-ins replacing what was previously a 3–6 month waiting list.

Crucially, this immediate access is transforming lives — helping patients stay connected, engaged, and independent. For many, being able to hear without delay means avoiding months of debilitating isolation, frustration, and anxiety. It enhances confidence, supports mental wellbeing, and allows people to participate fully in family and community life. This model not only delivers significant savings to the NHS but restores a vital sense of dignity and connection for those who rely on hearing support.

Investing in Sustainability

2024/25 marked another critical year in our financial recovery. While the external funding environment has remained volatile, we delivered key milestones in diversifying income, strengthening forecasting, and growing unrestricted and flexible funding.

Our longstanding relationship with the People's Postcode Lottery reached its ninth year, and we secured several strategic multi-year grants across the UK. These partnerships are essential — not

only for sustaining delivery but for enabling long-term planning, innovation, and stability. Multi-year funding relationships give us the confidence and flexibility to match fund, invest in what communities tell us they need, build deeper trust, and deliver greater impact over time.

Stronger Foundations

We've also invested heavily in strengthening our infrastructure. Our new policy framework reinforces our values and legal duties, while recent enhancements in safeguarding and cyber security have strengthened both compliance and trust. We are rolling out enhanced training for Designated Safeguarding Leads and embedding digital tools to improve reporting, learning and safety across all programmes.

A Year of National Influence

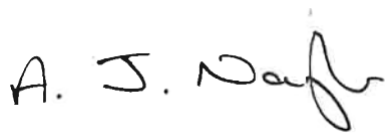
This year, we helped shape national conversations about the future of volunteering. As Co-Chair of the *Vision for Volunteering*, a member of Shaping the Future of Volunteering, a key implementation partner to the *National Youth Strategy* and a contributor to the *Civil Society Covenant* development, we continued to elevate the voice of volunteers in shaping systems and policy.

We see volunteering as core social infrastructure — essential to strengthening democracy, wellbeing, and inclusion. This belief underpins our contribution to the UK Government's five key missions and shapes how we engage with devolved nations and emerging devolved areas across England. We will continue to champion locally led, volunteer-powered solutions — and advocate for fair, long-term, and sustainable funding that enables communities to lead change on their own terms.

Looking Ahead

In October 2025, we launch our new organisational strategy — shaped by the voices of staff, volunteers, partners and communities. This will be a bold roadmap for the future, rooted in our mission but responsive to the realities of the world we work in.

I remain deeply grateful to our volunteers, staff and partners. You are the heartbeat of this organisation — and your commitment makes everything we achieve possible. At a time when the social fabric of the UK feels stretched, our mission is more relevant than ever. Volunteering Matters will continue to stand for dignity, participation, inclusion, and power in the hands of communities.



Amanda Naylor OBE
Chief Executive Officer
Volunteering Matters



Overview

Each year, we gather data that shows the impact we've had on people and communities through our volunteering projects. These figures reflect our impact from April 2024 to March 2025.



12,643 people volunteered

their time to support people and communities through our projects.

87 projects



England

4,930 Volunteers supported **6,893 Beneficiaries** through **43 Projects**

Scotland

442 Volunteers supported **1,271 Beneficiaries** through **28 Projects** plus **4,001 Volunteers** helped transform Scotland's biodiversity through community projects

Wales

431 Volunteers supported **2,632 Beneficiaries** through **14 Projects**

Nationwide

2,839 People Volunteering in **2 Projects** with **nationwide reach**



Our projects supported

The **11,303** people that have benefitted from our projects include:

- **1,710** older people
- **3,570** young people
- **231** people with disabilities
- **361** families/family members
- **3,317** people from a mixture of these key groups
- Plus **2,114** additional individuals



Project Spotlight

113 volunteers provided practical and emotional support for **238 individuals and families** through our **Family Mentors and Family Supporters programmes**.

4,001 volunteers contributed to the transformation of Scotland's biodiversity through **Action Earth**.

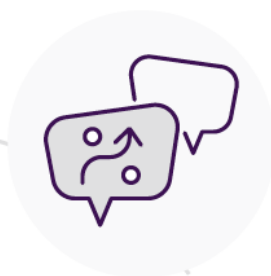
183 volunteers helped to combat loneliness for **204 people** of all ages through our **befriending projects**.

395 older people provided friendship and support to **225 care-experienced young people**, thanks to our **17 Grandmentors programmes**.

660 young people achieved change in their local communities through our **youth social action projects**.

3,725 volunteers led change in their local community through our **Retired and Senior Volunteers Programme** – all while improving their own wellbeing.

10 ambassadors became **National Youth Collaborators** as part of the **#iWill youth-led consultations and communications campaign, Deliver You**. #iWill also coordinated **6 large-scale youth events**, each involving up to **100 young people**.



Future Plans

Volunteering Matters will continue to lead at the intersection of local action and national influence, empowering communities to thrive while shaping the policies that enable equity, trust, and social connection. Over the coming year, we will deepen our investment in impact measurement, digital innovation, and volunteer engagement to ensure we can adapt, respond, and grow sustainably in a rapidly changing world.

In October 2025, we launch our new organisational strategy, a pivotal milestone developed in partnership with the people and places we serve. This strategy will reaffirm our commitment to being bold, inclusive, and impactful. It will focus on scaling what works, deepening community-based partnerships, and embedding inclusive volunteering across all life stages. We will prioritise sustainable delivery models, invest in digital and data, and strengthen our role as a national voice for volunteer-led social action.

As part of this, we are committed to expanding into new geographies, particularly those underserved by existing infrastructure, and to scaling the reach of our most impactful programmes, ensuring more communities across the UK benefit from our proven models of volunteering and social action.

These priorities are closely aligned with the UK Government's five key missions: improving health outcomes, expanding educational opportunity, strengthening communities, and building a more resilient economy. They also reflect the ambitions of the NHS 10-Year Plan, which recognises that good health and wellbeing are rooted not just in clinical care, but in connection, prevention, and the power of community.

As a national charity rooted in place, powered by volunteers, and driven by inclusion, we are uniquely placed to support national renewal through locally

led change, harnessing the potential of communities to lead, support one another, and build a more equitable future together.

Our programmes will continue to span generations, from youth-led social action to support for older people and intergenerational mentoring. This reflects our core belief: that volunteering is a lifelong force for inclusion, resilience, and civic renewal.

As Co-Chair of the Vision for Volunteering, and a key partner in both *Shaping the Future with Young People* and the development of the new National Youth Strategy (in collaboration with #iWill partners), we are proud to have played a leadership role in amplifying the voice and power of communities and volunteers. We are especially proud that #iWill has attracted significant in-year investment, as announced by the Secretary of State during the May Spending Review. This has enabled us to lead the *Towns and Cities of Youth Social Action* initiative—an ambitious, ground-breaking programme that speaks to the ambition of young people who contributed to the National Youth Strategy consultation. This continued commissioning, and the trust placed in us to lead such high-profile national initiatives, underscores the strength of our offer and the confidence in our grounded experience in volunteering and social action models.

We also welcomed the launch of the Civil Society Covenant, a timely and important signal of the essential role that charities, volunteers, and grassroots action play in building a fairer and more inclusive society. We will use this platform to advocate to ensure that volunteering is not an afterthought, but a core part of how public services and community infrastructure are designed, delivered, and sustained. Volunteering is essential social infrastructure, it boosts wellbeing, trust, and cohesion, and must be supported through fair, consistent, and long-term funding.

Financial Overview

The financial year ending 31 March 2025 concluded with Volunteering Matters reporting a net deficit of £120,000. While this outcome was disappointing, it is important to recognise the context: we had set ourselves an ambitious goal, to break the pattern of consecutive year-on-year deficits and deliver a small surplus.

We made significant progress during the year, reducing our cost base, tightening expenditure controls, and developing new income streams. However, these improvements did not have sufficient time to fully translate into in-year results. Many of the structural changes, particularly those around financial management, systems improvement, and pipeline development, were implemented in the second half of the year, laying strong foundations for future sustainability.

Delays in the release of funding due to successive election periods and changes in cash flow projections, and reforecasting challenges because of these delays added further pressure. In response, the Executive Leadership Team acted decisively to strengthen financial oversight and prevent recurrence. Key improvements included:

- Strengthening forecasting and accrual processes, with a particular focus on year-end accuracy;
- Introducing monthly variance reviews and more robust internal reporting routines;
- Undertaking a full review of our purchasing system to ensure all spending is backed by purchase orders, improving visibility and control.

As a result, we entered April 2025 with stronger systems, greater financial discipline, and real momentum. By the end of Quarter 1, we had already achieved 84% of our annual new business target, well ahead of progress at the same point in any of the past three years. Our income pipeline now exceeds £5,000,000, supported by multi-year funding carried

forward and several high-confidence opportunities in development.

Renewals from existing funders have also been particularly strong, including £377,000 in confirmed support for our Employee Volunteering Programme, with additional renewals anticipated throughout the year. Our unrestricted income targets remain on track, supported by diverse sources including the People's Postcode Lottery, Gift Aid, community fundraising, and rental income.

Alongside this, we are continuing to invest in financial innovation. Development of a new income reporting tool within Business Central is well underway. This will enhance our ability to monitor, report, and manage income in real time, improving accuracy, agility, and decision-making.

Looking ahead, we have increased confidence in our financial resilience. With improved controls, a strong and diverse income pipeline, and disciplined cost management, Volunteering Matters is better positioned to deliver its mission sustainably and with increasing impact.

Reserves Review

The Trustees regularly review the charity's reserves to ensure financial stability, manage risk, and support strategic planning. Reserves are held to protect the charity against fluctuations in income, unexpected expenditure, and to ensure continuity of essential services.

As at 31 March 2025, the charity held total reserves of £1,317,000, of which £nil were restricted and £1,317,000 were unrestricted. Within unrestricted reserves, £nil have been designated for specific future projects, leaving a deficit of-£824,000 in free reserves (after deducting fixed costs from unrestricted funds).

The Trustees have set a reserves policy that aims to maintain reserves equivalent to 3 months of operational expenditure.

Free reserves as at 31 March 2025 stands at a deficit of £824,000, which is below the target stated in the reserves policy. Therefore, we are committed to build these reserves to ensure the stability of the organisation.

The Trustees acknowledge that the current level of free reserves falls below the target range. Plans are in place to rebuild reserves over the coming years through prudent cost control and fundraising initiatives.

The Trustees are committed to regular monitoring of reserves to ensure they remain aligned with the charity's operational needs and long-term objectives.

Going Concern Statement

The directors have assessed the charitable company's going concern status as at the date of approval of the 2025 financial statements and are satisfied that the company remains a going concern. Accordingly, the financial statements have been prepared on that basis.

We draw attention to Note 1b in the financial statements, which indicates that the charity incurred a net operating deficit of £120,000 during the year ended 31 March 2025 (2024: £606,000 operating deficit) and continues to report negative free reserves of £824,000 (2024: £782,000 deficit). At the balance sheet date, the charity also held an overdrawn cash position.

The Trustees have already taken action to reduce expenditure, strengthen financial controls, and diversify income sources. These steps have contributed to a marked reduction in the annual deficit and greater overall stability.

The Trustees now recognise the need to move beyond stabilisation to recovery. A five-year financial recovery plan has been initiated to rebuild reserves, strengthen free reserves, and ensure long-term

sustainability in line with the new organisational strategy.

As part of this plan, the Trustees have taken into account the value, ongoing maintenance, and potential of the Levy Centre, our main asset, to ensure it aligns with our long-term financial strategy. The organisation relies on a combination of major donors, grants, contract income, bank support, and operating surpluses to fund its activities. It currently meets working capital requirements through available cash resources, future project income, and access to overdraft facilities of £500,000. As of the balance sheet date, a £361,000 overdraft facility remained undrawn, providing sufficient short-term liquidity headroom to manage timing differences in income receipts.

While the directors have explored longer-term bank finance to reduce reliance on contract timing, the organisation continues to depend on overdraft support as of the approval date of the 2025 financial statements.

In response to the broader economic climate, the charity has implemented cost-saving measures and continues to pursue both the renewal of existing contracts and the acquisition of new funding. As part of this phased approach to cost control, the organisation has prioritised reductions in non-staff expenditure—such as infrastructure, IT, and discretionary operational costs—before considering staffing-related measures. This reflects our commitment to protecting people and frontline delivery wherever possible. In parallel, and in line with our equity, diversity, and inclusion priorities, we remain committed to investing in our people and retaining diverse talent, even during periods of constraint.

The organisation operates in a landscape shaped by fluctuating external circumstances, including changes in government policy, shifts in funding cycles, and wider economic pressures. In light of this, the Trustees have approved a robust business continuity plan to ensure we can adapt quickly, protect programme delivery, and safeguard both our people

and the communities we serve. This plan complements our financial recovery strategy, providing a structured approach to maintaining operations and meeting obligations even under adverse scenarios.

The organisation has already secured and made good progress on income targets in early 2025/26 and has now realised the full range of planned cost savings. As of November 2025, 93% of 2025/26 income has been secured, with a further £910,000 confirmed for 2026/27. The charity has an active pipeline of live bids totalling £3m, of which 30% is considered highly likely to convert in 2026/27 based on historical success rates. Should key bids not materialise, the Trustees have approved a tiered contingency plan, including phased cost reductions beginning with non-staff expenditure, followed by staffing-related measures such as postponing recruitment and, if necessary, restructuring.

The draft projections for 2026/27 are based on a cautious view of anticipated funding outcomes. These projections include prudent assumptions regarding funder support, contract income, and cost control. While the achievement of forecast income and the ability to address historical deficits represent material uncertainties, the directors believe the assumptions are reasonable in light of current evidence and plans.

Therefore, having considered all relevant factors, the directors are confident that the charitable company has adequate resources to meet its obligations as they fall due for the foreseeable future. As such, the financial statements continue to be prepared on a going concern basis.

Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the

Fundraising Regulator, which sets the standards of fundraising practices in the UK.

We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the Data Protection Act 2018, and the General Data Protection Regulations (GDPR) that flow from this. We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect.

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985. Volunteering Matters is also registered as a charity in Scotland.

Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Board of Trustees (Board) Volunteering Matters comprises the Charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Board also has responsibility for the control and monitoring of the application of these policies. All the

members of the Board are statutory directors and charity Trustees.

Volunteering Matters' will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills. All trustees are provided with an induction programme that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Brand, reputation and code of conduct
- Programmes, projects and operations
- Documentation and resources

In addition, they are issued with the NCVO handbook for trustees.

In terms of training, trustees are given every opportunity to attend appropriate development sessions.

All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and projects local to that area.

The following Board committees meet regularly:

- The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy. The Finance and Audit Committee also receives the report from the external auditors, reviews and responds to the findings and recommendations and then monitors the implementation of agreed actions to address issues raised.

- The Culture Committee (inaugural meeting November 2024) that will oversee the implementation of our Equality Diversity, Inclusion and Anti-Racism (EDIA) strategy. This Committee, comprising of Trustees, CEO and COO and staff network leads, will monitor and support the implementation of the EDIA plan and ensure that all Board decisions are made with EDIA considerations at the fore.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Board to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Board for all aspects of performance. The Executive Leadership Team comprises the Chief Executive, Chief Operating Officer, Director of Business Development and Corporate Partnerships and the Head of Finance. Key management personnel comprise the Trustees and the Executive Leadership Team.

Remuneration policy

The pay structure in Volunteering Matters is regularly benchmarked against equivalent external roles in our sector. Human Resources monitors our pay and reward strategy, remuneration reviews and all related policies. The organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Statement of Board of Trustees Responsibilities

The Board (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including

Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Board 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 company for that period. In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume charitable company will continue in operation.

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

Insofar as the Board are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- Board members have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

Appointment of New Auditor

During this financial year, the Volunteering Matters has appointed **Price Bailey LLP** as its external auditor, replacing **Saffery LLP**, whose term ended in accordance with regulatory or internal policy requirements.

The appointment of Price Bailey LLP was approved by the Board at the Board Meeting held on 16 July 2025, upon the recommendation of the Finance and Audit Committee. The Board is confident that the new auditors bring the necessary expertise, independence, and experience to continue delivering high-quality audit services.

We would like to take this opportunity to thank Saffery LLP for their professional service and valuable contributions over the past 10 years.

The report of the trustees, which includes the strategic report, has been approved by the Board and signed on their behalf by:



Peta Foxall CBE
Chair of the Board
9th December 2025

Our team



President

Lord Freud



Chair

Peta Foxall CBE (Appointed
10 October 2024)



Company Secretary

Amanda Naylor OBE

Trustees

Simon Judge	
Zara Todd	
Julie-Anne Jamieson	
Sacha Tokhmeh Foroush Hamed	
Julie Kirkbride	(Resigned 16 July 2025)
Katrina Lambert	
Sue Maskrey	(Resigned 12 February 2025)
Katie Farrington	
Lanai Collis-Phillips	(Resigned 16 July 2025)
Moawia Bin-Sufyan	
Craig Hamilton	(Resigned 3 July 2024)
Pru Whitwell	(Resigned 3 July 2024)
Anne Heal	(Resigned as Chair 10 October 2024)

Committee and Portfolio Chairs

Finance and Audit Committee	Simon Judge
Culture Committee	Zara Todd
Safeguarding Portfolio	Julie-Anne Jamieson
Health and Safety Portfolio	Sacha Tokhmeh Foroush Hamed
Whistleblowing Portfolio	Zara Todd

Company information

Company Registration No.	01435877
Charity Registration No.	SC039171 (Scotland)
Charity Registration No.	291222 (England & Wales)
Company Secretary	CEO: Amanda Naylor OBE
Principal Address	Volunteering Matters The Levy Centre 18-24 Lower Clapton Road London E5 0PD

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

Opinion

We have audited the financial statements of Volunteering Matters for the year ended 31 March 2025 which comprise statement of financial activities, statement of financial position, statement of cash flows 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 charitable company's state of affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as 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 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.

Material uncertainties related to going concern

We draw attention to note 1 (b) in the financial statements, which indicates that the company incurred a net operating expenditure for the year ended 31 March 2025 of £120,000 (2024: £606,000). The charitable company is awaiting, at the date of approval of accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The Trustees are also relying on short term bank finance and future project income for operational needs at the date of approval. The trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to deliver future operating surpluses and to match available resources, given the likely range of outcomes. These events or conditions along with other matters as set forth in note 1 (b), indicate that material uncertainties exist which may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified

material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring

these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in

making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. A further description of our responsibilities is available on the Financial Reporting Council's website.

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

Kenneth McDowell (Senior Statutory Auditor)

for and on behalf of Saffery LLP

9 Haymarket Square

Edinburgh

EH3 8RY

Statutory Auditors

Date: 10 December 2025



Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Year ending 31 March 2025



Volunteering Matters Statement of Financial Activities

		Unrestricted funds	Restricted funds	Total	Total
	Notes	31 March 2025	31 March 2025	31 March 2025	31 March 2024
		£'000	£'000	£'000	£'000
Income					
Donations and legacies	2	264	280	544	524
Charitable activities	3	1,593	3,558	5,151	5,455
Total income		1,857	3,838	5,695	5,979
Expenditure					
Raising funds		137	-	137	299
Charitable activities		1,840	3,838	5,678	6,286
Total expenditure	4	1,977	3,838	5,815	6,585
Other					
Operating deficit (excluding exceptional item)		(120)	-	(120)	(606)
Net (expenditure) for the year		(120)	-	(120)	(606)
Gain on property revaluation		-	-	-	1,050
Net movement in funds		(120)	-	(120)	444
RECONCILIATION OF FUNDS					
Total funds / (deficits) brought forward	12	1,437	-	1,437	993
Total funds / (deficits) carried forward	12	1,317	-	1,317	1,437

There were no recognised gains or losses other than those stated above. All the above results are derived from continuing activities. The notes form part of these financial statements.

Balance Sheet

	Note	2025	2024
		£'000	£'000
Fixed assets			
Tangible assets	8	2,141	2,219
Current assets			
Debtors	10	418	652
Cash at bank and in hand		-	28
Current assets		418	680
Creditors: amount falling due within one year	11	(1,242)	(1,462)
Net current liabilities		(824)	(782)
Total net assets		1,317	1,437
The funds of the charity			
Unrestricted funds	12	1,317	1,437
Restricted funds	12	-	-

The notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 9th December 2025 and signed on their behalf by:

	
Peta Foxall CBE Chair of the Board of Trustees	Simon Judge Chair of the Finance and Audit Committee

Company Registration No. 01435877

Statement of Cash Flows

As at 31 March 2025

	2025	2024
	£'000	£'000
Reconciliation of Cashflows from Operating Activities		
Net expenditure	(120)	(606)
Depreciation charges	68	121
Decrease/(Increase) in debtors	234	14
Increase/(Decrease) in creditors	(369)	24
	(187)	(447)
Cash flows from investing activities		
Purchase of fixed assets	(14)	(13)
Sale of fixed asset	24	-
Loss from sale of fixed assets	-	48
Net cash used in investing activities	(10)	(13)
Change in cash and cash equivalents in the period	(177)	(412)
Cash and cash equivalent brought forward	28	440
Total cash and cash equivalents carried forward	(149)	28

Movement on cash and cash equivalents

As at 31 March 2025

	31 March 2024	Cashflow	31 March 2025
	£'000	£'000	£'000
Cash in hand	28	(177)	(149)
Overdraft			

Prior year movement

	31 March 2023	Cashflow	31 March 2024
	£'000	£'000	£'000
Cash in hand	440	(412)	28
Overdraft			

1. Accounting policies

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England and Wales, and in Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD.

a) Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules.

Company Status

The Charity is a private company limited by guarantee. The members of the Charity are the Board of Trustees as detailed on page 17.

The charity is incorporated in England and Wales and Scotland and registration numbers are detailed on page 17.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

b) Going concern policy

The directors have reviewed the going concern status of the company at the date of approval of the 2025 company financial statements.

The directors consider the company to be a going concern and the financial statements have been prepared on that basis.

At the balance sheet date, the charitable company had total funds of £1,317,000 (2024: £1,437,000). The company reported a deficit on free reserves of £824,000 at the balance sheet date, (after deducting fixed assets from unrestricted funds) and the Trustees expect to report a modest operating surplus of £84,000 as at, 31 March 2026.

The charitable company relies on bank funder support, grants and contract income from outside sources, the generation of future operating surpluses and sufficient ongoing operating cashflow to finance ordinary activities. The charitable company currently meets its day to day working capital requirements through available cash resources, including receipts from future project income and overdraft facilities to ensure that the company continues to meet obligations when they fall due.

The directors, mindful of economic headwinds, have taken steps to reduce operating costs to lower levels. The charity continues to seek the necessary contract and funding agreement renewals and new business conversion. As is common with many charitable organisations with income from contracts and other funding agreements, at the date of approval of the accounts, the charitable company is awaiting the outcome of a number of funding applications for both renewal and new business contracts. These remain uncertain at the date of approval.

The forthcoming 2026/27 budget is built on a prudent view of these anticipated outcomes. The directors continue to undertake a review of operations to ensure the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes.

Against this background, the directors have considered and approved management prepared financial operating projections for the period to 31 March 2027 which include assumptions for

funder support and anticipated costs and income which the directors consider to be reasonable and prudent. In arriving at these assumptions, the directors accept that adequate funder support, contract income to forecast levels and anticipated costs to enable the company to commence addressing past deficits are material uncertainties to the going concern basis of preparation at the date of approval of the financial statements.

However, having considered the matters above, the directors are of the view that, at the date of approval of the financial statements, the charity has sufficient reserves and other resources to continue to operate and meet debts as they fall due for the foreseeable future. Therefore, the financial statements have been drawn up on a going concern basis.

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt, and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured. Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt. Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However, the value of

volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder.

Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Board for particular purposes and are equal to the net book value of the fixed assets of the organisation.

General funds is the measure of usage of free reserves, matched by the relevant net current assets on the balance sheet excluding restricted assets.

e) Resources expended

Resources expended are recognised on the accrual basis in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to phasing funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Leasehold property	2% straight line
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the minimum lease term.

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

i) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it

incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

j) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial assets include debtor balances except prepayments as shown at Note 9 to the financial statements. Financial liabilities refers to all creditor balances including deferred income, tax and social security as shown at Note 10 to the financial statements.

k) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations.

The long leasehold property is valued professionally by an external valuer with relevant recent experience with the class of property being valued. An inevitable degree of estimation remains as each property is unique and can only be reliably tested in the market itself.

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives are reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

2. Donations and legacies

	31 March 2025	31 March 2024
	£'000	£'000
Individual and company donations (unrestricted)	264	219
Trusts and foundations (restricted)	280	305
	544	524

3. Incoming resources from charitable activities

	31 March 2025	31 March 2025	31 March 2025	31 March 2024
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Individuals	-	11	11	15
National Grants including Big Lottery Fund	1,095	322	1,417	1,579
Government local and central	15	2,312	2,327	2,554
European Funding	-	-	-	1
Trusts and foundations (grants)	-	318	318	-
Corporate	436	66	502	834
Health Authorities and boards	-	547	547	463
Rental income	22	-	22	-
Other	25	(18)	7	9
Total	1,593	3,558	5,151	5,455

Incoming resources from charitable activities for the year prior

	31 March 2024	31 March 2024	31 March 2024
	Unrestricted	Restricted	Total
	£'000	£'000	£'000
Donations	-	15	15
National Grants including Big Lottery Fund and People's Postcode Lottery	696	883	1,579
Government local and central	19	2,535	2,554
European funding	1	-	1
Trusts and Foundations (grants)	-	-	-
Corporate	291	543	834
Health Authorities and boards	-	463	463
Other	88	(79)	9
	1,095	4,360	5,455

During the year the trustees have refined their presentation of note 3 and represented the comparative figures.

4. Total resources expended

	Staff costs (Note 7)	Other direct costs	Support costs	31 March 2025	31 March 2024
	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	329	7	3	339	299
Charitable activities (unrestricted)	1,189	71	378	1,638	1,500
Unrestricted expenditure	1,518	78	381	1,977	1,799
Charitable activities (restricted)	2,771	697	370	3,838	4,786
Total resources expended	4,289	775	751	5,815	6,585

Charitable activities include:

- 1) Core Activities (28%)
- 2) Project Delivery (66%)
- 3) Fundraising and Influencing Work (6%)

- Staff costs and other direct costs are a mixture of restricted and unrestricted costs.
- Restricted costs are made up of delivery projects cost. Unrestricted costs are made up of central staff costs and unrestricted project costs. The total governance cost includes a proportion of support costs.
- Support costs comprise of operational costs, IT and other administrative costs.

Fundraising and influencing is the cost of raising income and promoting our work through policy and public affairs.

Total resources expended for the prior year

	Staff costs (Note 7)	Other direct costs	Support costs	31 March 2024
	£'000	£'000	£'000	£'000
Cost of raising funds	270	5	24	299
Charitable activities – investing in volunteering	497	736	267	1,500
	767	741	291	1,799
Charitable activities	3,483	293	1,010	4,786
Total resources expended	4,250	1,034	1,301	6,585

5. Grants paid – included in note 4 direct costs

	Total	Total
	31 March 2025	31 March 2024
	£'000	£'000
Action Earth Community based projects paid to organisations	33	30
Grants paid to organisations during this year were paid as follows:	No.	No.
Number of project grants less than £2,000	141	163

6. Net income / (expenditure) for the year

This is stated after charging:	31 March 2025	31 March 2024
	£'000	£'000
Depreciation	68	121
Auditors' remuneration (see below):	46	35
Operating lease rentals: Property	45	102
Audit's remuneration (excluding VAT)		
External audit (current year)	45	34
Non audit services	1	1
	46	35

7. Staff number and costs

	31 March 2025	31 March 2024
	£'000	£'000
Wages and salaries	3,837	3,976
Social security costs	349	167
Defined contribution pension scheme costs	103	107
	4,289	4,250
	2025	2024
Number of staff earning more than £60,000 in the accounting year:		
Number of employees receiving £90,001- £100,000	1	1
Number of employees receiving £70,001- £80,000	1	1
Number of employees receiving £60,000- £70,000	1	1
	3	3

The total earnings including pensions of the charity's key management personnel was £362,133 (2024: £245,992). The charity's key management personnel consist of the CEO, COO, Director of Partnerships and Business Development, Head of Finance and Head of Volunteering and Engagement.

The average number of employees, expressed as head count and as full-time equivalents, during the period was:

	Head count		Full time equivalents	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	No.	No.	No.	No.
Charitable activities	130	140	87	126
Fundraising	11	14	11	14
Governance	1	1	1	1
	142	155	99	141

8. Tangible fixed assets

	Long leasehold properties	Plant and equipment	Motor vehicles	31 March 2025
	£'000	£'000	£'000	£'000
At 1 April 2024	2,120	436	108	2,663
Additions		14		14
Disposals	-	-	(108)	(107)
At 31 March 2025	2,120	450	-	2,570
Depreciation				
At 1 April 2024	-	360	85	445
Charge for the period	42	26	-	68
Disposals	-	-	(85)	(84)
At 31 March 2025	42	386	-	429
Net book value				
At 31 March 2025	2,078	63	-	2,141
At 31 March 2024	2,120	76	23	2,219

The Levy Centre had an independent property valuation carried out June 2024, conducted by a valuer appointed by our bank.

The property was valued at £2.1m therefore the fixed assets have been adjusted to carry this valuation with the gain being carried directly to the designated fund.

The Trustees are of the opinion that this is the appropriate carrying value as at 31 March 2025.

9. Investments

There were no investments during the period ended 31 March 2025

10. Debtors

	31 March 2025	31 March 2024
	£'000	£'000
Trade debtors	167	227
Accrued income	179	355
Prepayments	70	64
Staff floats	2	2
Corporation tax provision	-	1
VW disbursements	-	3
	418	652

11. Creditors: Amounts falling due within one year

	31 March 2025	31 March 2024
	£'000	£'000
Bank overdraft	149	-
Trade creditors	213	268
Social security and other taxes	127	94
Accruals and other creditors	69	153
Deferred income (see below)	639	898
Pension	24	24
VAT Liability	21	25
	1,242	1,462

The bank overdraft is secured against the property of the company and a debenture. The company has an overdraft limit with Barclays Bank PLC of £500,000.

Deferred income	31 March 2025	31 March 2024
Balance b/f	898	1,081
Amount released to incoming resources	(898)	(1,081)
Amount deferred in the period	639	898
Balance c/f	639	898

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income

12. Statement of funds

	31 March 2024 Brought forward	Incoming resources	Resources expended	Transfers	Gains / (losses)	31 March 2025 Carried Forward
Summary of funds:	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
Designated funds	2,219	-	-		-	2,219
General fund	(782)	1,682	(1,802)		-	(902)
Total unrestricted fund	1,437	1,682	(1,802)		-	1,317
Restricted funds	-	4,013	(4,013)		-	-
Total funds	1,437	5,695	(5,815)		-	1,317

Statement for funds for prior year

	31 March 2023 Brought forward	Incoming resources	Resources expended	Transfers	Gains / (losses)	31 March 2024 Carried Forward
Summary of funds:	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
Designated funds	1,324	14	(121)	(48)	1,050	2,219
General fund	(452)	1,300	(1,678)	48	-	(782)
Total unrestricted fund before pension deficit	872	1,314	(1,799)	-	1,050	1,437
Restricted funds	121	4,665	(4,738)	-	(48)	-
Total funds	993	5,979	(6,537)	-	1,002	1,437

Unrestricted designated and general expenditure relates mainly to non-project costs.

Company restricted funds represent balance in respect of many on-going projects where funds have been applied, having been restricted in terms of the funding agreements.

Significant restricted funds received and incurred in the year included:

Grandmentors Control Account (£98,600), Grandmentors Lewisham (£60,000) and Grandmentors Suffolk (£66,642): Grandmentors recruits and supports volunteers aged 50+ to share their skills and experience to mentor young people leaving the care system. These young people often need a guiding hand to support them to build independence and life skills such as finding work, continuing their education or begin training.

Team London Ambassadors (£380,624): Young people with special educational needs or who have been excluded from mainstream education from across London helping others and influencing social changes by delivering social action projects in the communities they live in across the Capital.

#iWill project (£370,033): #iWill is a movement that empowers 10–25-year-old to make a positive difference on the issues that affect their lives, communities and society.

NCS Targeted (£94,507): Young people in secondary schools across Suffolk programme which culminates in young people leading social action activities which influence social change and benefits the local community.

Get The Gen (£109,913): Training and development service that provides employers with the knowledge, understanding and support to recruit and support more young people into the workforce.

VsF Greenwich, Family Mentors (£83,000), VsF Southend, Family Mentors (£85,810) and Family Supporters Edinburgh (£100,078): Volunteers Supporting Families (VsF) provides 1:1 support for families referred to Volunteering Matters via Local Authorities. The Families supported are either 'in crisis' and are being closely supervised by the local authority or they

have been identified as being 'in need' and may need short term support to help them through a challenging period. The support is provided by trained volunteers, who are supported by Volunteering Matters staff members.

Match and Mentor (£171,521): Volunteers support adults with learning difficulties to live independent lives, support is provided 1:1 and via group sessions.

Newcastle Volunteer Development (£76,494): Volunteering Matters manages the Volunteer Centre in Newcastle, this involves signposting members of the community in Newcastle with 200 plus volunteering opportunities across the City. VM has also developed a Volunteer Passport scheme, which recruits and trains volunteers to volunteer in a range of social care charities across the city.

Home from Hospital (£120,000): Home from Hospital provides services for patients aged 55 and over who have been discharged from hospital, helping them to get back home safely and stay home gaining their independence. Other support can range from collection of prescription medication to taking the bins out.

Volunteering Works programmes (£522,283): Volunteering Works provides a service to 30 plus corporate clients providing community voluntary opportunities for their workforce, this service is provided via team days and ongoing regular opportunities. ProjectScotland Edinburgh (£70,726): Providing mentoring and job coach support to working age adults in Edinburgh who have been unemployed for a long time.

Castlebrae (£81,893): Supporting young people aged 13 -16 in high school, who have started to disengage from school and face numerous barriers to achieving their goals. VM provides young people with a wrap-around support package, which involves a tailored and supportive volunteering placements and the

opportunity to be matched to a mentor for up to 12 months.

Youth VIP (£131,600): Building capacity and knowledge for charities across Scotland to offer volunteering opportunities to young people, this is achieved through lobbying national government, 1:1 Support for charity leaders and a variety of training and development opportunities.

MK Volunteer Driver Service (£120,679): Volunteer drivers taking isolated older

people to medical appointments, this includes local GP appointments and long-distance hospital appoints. The service also involves volunteer drivers taking children and young people to family contact appointments.

Lifelines (£113,749): Volunteers aged 50 plus organise group activities for older people living in sheltered housing schemes to enjoy, examples include creative writing, seated exercise classes and bingo.

13 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	2025	2025	2025
	£'000	£'000	£'000
Tangible fixed assets	-	2,141	2,141
Net current assets	-	(824)	(824)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets at the period end	-	1,317	1,317

Analysis of net assets between funds for prior year

	Restricted funds	Unrestricted funds	Total funds
	2024	2024	2024
	£'000	£'000	£'000
Tangible fixed assets	-	2,219	2,219
Net current assets	-	(782)	(782)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets at the period end	-	1,437	1,437

14. Operating lease commitments

The charity's future minimum operating leases payments are as follows:

	2025	2024
	Land and buildings	Land and buildings
	£'000	£'000
Not later than one year	21	21
Later than one year but not later than five years	7	6
	28	27

15. Related parties

The Trustees received no emoluments in the period (2024: £nil).

During the period no Council members (2024:£nil) received reimbursement for travel & subsistence expenses (2024: £nil).

No remuneration nor payment for services was paid to any member of the Council (2024:£nil).

16. Related party transactions

Total aggregate unrestricted donation of £10,000 was received from one Trustee on 18 April 2024

17. Statement of financial activities for the period ended 31 March 2024

	Unrestricted funds	Restricted funds	Total to 31 March 2024
	£'000	£'000	£'000
Income and endowments from:			
Donations and legacies	219	305	524
Charitable activities	1,095	4,360	5,455
Property income	-	-	-
Other income	-	-	-
Total income	1,314	4,665	5,979
Expenditure on:			
Raising funds	299	-	299
Charitable activities	1,500	4,786	6,286
Exceptional item – effect of pension settlement	-	-	-
Total expenditure	1,799	4,786	6,585
Net income/ (expenditure) for the year	(485)	(121)	(606)
Other recognised gains/ (losses):			
Gain on property revaluation	1,050	-	1,050
Net movement in funds	565	(121)	444
Reconciliation of funds:			
Total funds (Deficits) brought forward	872	121	993
Total funds / (Deficits) carried forward	1,437	-	1,437

18. Post balance sheet events

There are no post balance sheet events.

VOLUNTEERING MATTERS

England & Wales - Charity number 291222

Accounts

Company Registration No.

01435877

Charity Registration No.

SC039171 (Scotland)

Charity Registration No.

291222 (England & Wales)

Volunteering Matters

**Annual report and financial statements
for the year ended 31 March 2024**

Volunteering Matters Contents

	Page
Chair's Report	4
Chief Executive's Report	6
Report of the Trustees including the Strategic Report	8
Independent Auditor's Report to the Trustees	16
Volunteering Matters Statement of Financial Activities	20
Volunteering Matters Balance Sheet	21
Volunteering Matters Statement of Cash Flows	22
Notes to the Financial Statements	24

Volunteering Matters About Us

President	Lord Freud
Trustees	<ul style="list-style-type: none">• Chair: Anne Heal (resigned 10 October 2024)• Chair: Peta Foxall CBE DL (appointed 10 October 2024)• Simon Judge (Chair of Finance and Audit Committee)• Zara Todd (Chair of Culture Committee)• Julie-Anne Jamieson (Safeguarding portfolio)• Sacha Tokhmeh Foroush Hamed (Health and Safety portfolio)• Julie Kirkbride• Katrina Lambert• Sue Maskrey• Katie Farrington• Lanai Collis-Phillips• Moawia Bin-Sufyan• Craig Hamilton (resigned 3 July 2024)• Pru Whitwell (resigned 3 July 2024)• Michael Abrahams (resigned 2 March 2024)• Andrew Hudson (resigned 28 September 2023)• Martin Fleming (resigned 12 October 2023)
Company Registration No.	01435877
Charity Registration No.	SC039171 (Scotland)
Charity Registration No.	291222 (England & Wales)
Company Secretary	CEO: Paul Reddish OBE (resigned 31 December 2023) CEO: Amanda Naylor OBE (appointed 1 January 2024)
Principal Address	Volunteering Matters The Levy Centre 18-24 Lower Clapton Road London E5 0PD
Independent Auditor	Saffery LLP Level 4, 9 Haymarket Square Edinburgh EH3 8RY

Chair's Report

As the new Chair of Volunteering Matters, appointed in October 2024, I would like to thank Anne Heal for her nine years of service and to recognise her achievements during that time. Anne leaves an organisation that has been consistent in its mission and civil society development, despite the many challenges that have beset the voluntary sector. She has shown integrity and loyalty to Volunteering Matters and a steady hand that has ensured the organisation will continue to thrive as it transitions to new leadership.

This year, Volunteering Matters also said goodbye and thank you to Paul Reddish OBE for his service as CEO, both at Project Scotland then subsequently after our merger and re-brand at Volunteering Matters. Paul stepped down at the end of December 2023 after another very challenging financial year on the back of a series of losses in previous years. The charity at this point had to seriously consider what actions we would need to take to remain a going concern with reserves becoming further depleted.

Amanda Naylor OBE joined Volunteering Matters in January 2024 as new CEO and completed a full organisational review in February 2024. This crucial work enabled us to identify savings of over £800,000, across the central team (non-delivery), rental offices, supplier efficiencies and consolidating activity by ending external contractual arrangements and focusing on internal strengthening and upskilling the workforce.

We are incredibly proud to have maintained excellent quality of services whilst undergoing this efficiency drive, recruiting and retaining more than 2,000 additional volunteers than the preceding year, reaching over 10,000 volunteers and increasing the number of geographical areas we operate in.

We have implemented a clear financial sustainability strategy, and despite being hindered by previous late posting of statutory accounts, our partnerships and bid writing team have been incredibly successful and enabled us to sustain existing vital projects and introduce new impactful volunteer opportunities. Alongside this the CEO and Finance and Audit Committee have presided over a complete financial systems overhaul, resulting in Volunteering Matters having live, clear and accurate financial data and forecasting from which it can make effective decisions moving forward.

Volunteering Matters is now operating more effectively and with an agility that has seen yet again the amazing commitment of both staff and volunteers to make a real difference in their communities.

The civil unrest in the Summer 2024 has demonstrated that Volunteering Matters work with projects that bring collaboration, hope and tolerance to the heart of communities, is needed now more than ever. Our 10,000+ volunteers are living proof that civil society is alive and well and that communities have the power and skills to make change and support the most vulnerable people in our society.

Never has this been demonstrated more within our organisation, by two very dear RSVP (Retired and Senior Volunteer Programme) co-ordinators, Bob Maggs and Tony Bell, who before they died, gave collectively over 50 years of service to Volunteering Matters and their communities. They will be sadly missed but always appreciated for their contribution and remembered fondly.

I thank Volunteering Matters staff and trustees for the very warm welcome they gave me in October 2024. I look forward with excitement to the next 12 months supporting the Board of Trustees and the Executive Leadership Team in their ambitious aims and the development of a new five-year strategy for the charity. I am optimistic that with a strong emerging relationship with a new Government, committed to building thriving communities and working alongside the voluntary sector, and with a clear operational and financial strategy, a strong

collaborative approach with sector partners and the diversity and commitment of our paid and volunteer workforce, that Volunteering Matters will continue to be a valuable asset to the voluntary sector and to the communities that we serve.

A handwritten signature in black ink that reads "Peta Foxall". The signature is written in a cursive, flowing style.

Peta Foxall CBE DL
Chair

Chief Executive Report

On my appointment in January 2024, Volunteering Matters, like many voluntary sector organisations, was experiencing significant challenges that required strong leadership and collaboration across Trustees, the Executive Leadership Team, and the broader support of our amazing staff, volunteers, and sector partners. I am incredibly grateful to everyone who has supported and worked alongside us so closely during this period to achieve the progress detailed in this annual report.

Change is always a source of stress for any organisation, and I became the CEO of Volunteering Matters at a time when it had undergone continuous transformation at all levels for several years. There was work required to align expenditure with available funds in a sector that had become more competitive and resource-constrained due to local authority budget cuts, fewer government-funded programs, and barriers to individual and corporate giving. This demanded a plan that focused clearly on our priorities, the impact we aimed to achieve, and the difference we wanted to make.

With a fresh approach to leadership and renewed energy to improve Volunteering Matters' financial stability, we have undergone an organizational restructure that brought expenditure back in line with income. This restructuring allowed us to concentrate resources on our projects and volunteers, whilst becoming leaner and more efficient in our core operations. This has protected our frontline services and ensured that an increased proportion of our funds are spent directly in communities through impactful volunteer programs. An overhaul of the financial systems and processes has enabled us to complete audit and file accounts on-time, maintain daily cash flow controls, accurate budget forecasting, and to take mitigating actions where necessary.

Changes in team structure have unified our income-generating activities in one directorate, enabling us to invest in a new corporate and major donor strategy and community fundraising initiatives and increase our revenue margins from Enterprise activity. This diversification of income will allow us to increase unrestricted funding and rebuild our reserves in line with policy. We expect to see the benefits of these efforts in the coming years as new opportunities arise.

We also created a new Operations Directorate that brought together all our support functions, including IT, Facilities, Impact & Policy, Communications, Equality, Diversity and Inclusion, and HR, alongside our delivery projects. This restructuring has fostered greater collaboration and addressed the silo working that is often a challenge in fully remote environments. As a result, we have developed a whole organisation focus on our core mission, developing initiatives and mechanisms to support our volunteers and communities, and providing the necessary tools to carry out the work safely. This has led to a strong drive in quality-assured, evidence-based working that is enabling us to showcase the incredible impact of our work.

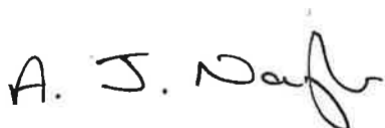
Despite the organisational challenges we have faced, I have been in awe of the dedication and work ethic of all staff and volunteers at Volunteering Matters. In particular, the Executive Leadership Team has demonstrated remarkable strength and loyalty in driving the business plan forward and making meaningful change happen. I am immensely grateful for their energy and support during my first nine months.

The diversity of our volunteers continues to exemplify our place-based commitment. We recruit volunteers from the very communities that are most under-served, helping to make a difference at a local, community level and creating community legacy and systems change

that national initiatives often struggle to achieve or maintain. At a time when other organisations are struggling to recruit and retain volunteers, I recognise the outstanding success of our volunteer project managers and engagement managers, who deliver through their local connections, exciting and tailored recruitment campaigns, and capacity-building approaches. They create inclusive and engaging opportunities that attract both young and older volunteers from all demographics. Our youngest volunteers are leading youth social action projects in their schools and peer groups at just 10 years old, while our most experienced volunteers, in their 80s and 90s, are leading walking groups and school and hospital programmes. Volunteering Matters truly offers a lifelong journey of volunteering opportunities that evolves across generations, time availability, cultures, and abilities; ensuring volunteering is a rewarding and inclusive experience for all.

The next twelve months promises to be an exciting time, with the catalyst of our new 5-Year Strategy, set to launch in Summer 2025. This strategy will harness our experience over the past 60 years and is to be co-created with volunteers, beneficiaries, partners and external stakeholders, and staff. We are also in the process of investing in a new Customer Relationship Management (CRM) system that will enable us to capture our impact more effectively. We have begun to evidence the difference our work makes through our Impact Trackers in projects such as Grandmentors and Family Mentors and will expand this throughout the CRM roll out. We know, from emerging early Impact Tracker evidence, that it makes economic sense to invest early in communities that bring their own solutions, and the material, additional value and savings Volunteering Matters' programmes bring to wider public services, such as the NHS, schools, and social care. Volunteering will become a crucial part of implementing the missions and policies of the new Government and our policy and influencing work, will help ensure that community voices and experiences are at the heart of new developments.

I am immensely proud and grateful to everyone who chooses Volunteering Matters as their workplace and volunteering hub. It truly creates a unique and dynamic environment where magic happens.

A handwritten signature in black ink, appearing to read 'A. J. Naylor'.

Amanda Naylor OBE
Chief Executive

Trustees Report

At Volunteering Matters, we unite people to overcome adversity, reduce isolation, improve physical and mental health, develop essential skills, and empower young people to lead change.

What sets us apart is our community-driven approach. Our volunteering programmes are designed by communities, for communities, harnessing local knowledge, energy, and passion to create sustainable improvements from within.

We believe that when communities are strong, everyone has the opportunity to thrive. Our projects cover a wide spectrum, from mentoring programs to social groups, from community transport to initiatives led by young people who champion the causes that matter most to them.

Reflecting on 2023/24, we are once again reminded of the profound impact of volunteering on society. Despite the challenges posed by the cost-of-living crisis and ongoing economic uncertainties, Volunteering Matters has shown remarkable resilience. Through our dedicated volunteers and innovative projects, we continued to support communities across England, Scotland, and Wales, reducing social isolation, enhancing mental health, building skills and confidence, and empowering young people to drive social change.

Key Statistics and Achievements

Between 1 April 2023 and 31 March 2024, Volunteering Matters engaged 10,690 volunteers across 117 projects, reaching 5,684 individuals in need. Our efforts focused on four core areas:

- **Reducing Social Isolation and Loneliness:** 80% of our projects aimed to alleviate isolation, helping thousands of individuals reconnect with their communities.
- **Improving Mental and Physical Health:** 67% of projects focused on enhancing mental and physical well-being, highlighting the crucial role volunteers play in improving the quality of life.
- **Building Skills, Confidence, and Opportunities:** 54% of projects helped participants develop confidence and unlock new opportunities, particularly for those facing barriers to employment or education.
- **Empowering Young People to Lead Change:** 46% of our projects were youth-centred, equipping young people to take leadership roles and make a meaningful difference in their communities.

We mobilised 4,316 volunteers in England, 320 volunteers in Wales and 4,871, whilst 4,152 volunteers participated in environmental projects, transforming local green spaces and enriching biodiversity through our community - driven activities alongside 719 community volunteers in Scotland. An additional 1,183 corporate volunteers supported through our national Volunteering Works programme. In total, we engaged 10,690 volunteers throughout the year.

Focus and Impact

Our mission of building stronger communities through volunteering remained at the heart of everything we did in 2023/24. Key highlights from our projects include:

- **Grandmentors:** In 2023/24, 286 volunteers supported 240 care-experienced young people across 15 locations. These intergenerational mentorships provided young people with the tools to navigate the challenges of transitioning out of care, build life skills, and develop the self-confidence needed to thrive independently.
- **Family Mentors/Family Supporters:** Throughout the year, 99 volunteers provided

emotional and practical support to 425 family members, helping families facing significant challenges.

- **Retired and Senior Volunteers Programme (RSVP):** More than 3,545 older volunteers contributed to their communities through RSVP, improving their own well-being while helping others.
- **Action Earth:** In Scotland, 4,152 volunteers engaged in Action Earth, transforming green spaces and promoting environmental stewardship while enhancing local biodiversity.
- **Befriending Projects:** In Wales, 202 volunteers helped 234 people combat loneliness and build connections through our befriending initiatives.
- **Youth Social Action Projects:** Across the UK, 568 young people participated in social action projects, making positive contributions to their communities and developing critical leadership skills.

Future Plans

Looking ahead, we are optimistic about expanding our impact. With new corporate partnerships and a strategic focus on diversifying income streams, we are well-positioned to continue delivering high-quality, impactful programs. Our goal for 2024/25 is to return to an operating surplus and further strengthen our financial sustainability.

Our new CEO, Amanda Naylor OBE, joined us in January 2024. Amanda is an experienced and dynamic leader who has already made a significant impact, leading an organisational restructure, expanding our national profile by co-chairing the Vision for Volunteering, and actively contributing to the cross-charity initiative 'Shaping the Future.'

The charity has undergone a full organisational restructure, designed to maximize productivity, foster collaboration and creativity, and ensure our expenditures align with annual income without overstretching our budget.

We extend our deepest gratitude to all the volunteers, staff, funders, and partners who supported us this year. Your commitment to creating lasting change is what empowers Volunteering Matters to continue its vital work across the UK.

Financial Overview

The financial year 2023/24 posed considerable challenges for the charity sector. Rising living costs, coupled with delays in statutory funding, demanded vigilant financial management. Despite these obstacles, Volunteering Matters remained steadfast in its commitment to making a positive impact on communities. However, like many organisations, we experienced a deficit this year. Our 2023/24 operating deficit stood at £606,000. Overall income declined from £7,478,000 in 22/23 to £5,979,000 in 23/24, primarily due to reductions in corporate funding and local authority support.

Total staff costs have decreased from £5,543,000 (excluding exceptional pension charges) in 22/23 to £4,250,000 in 23/24. This reduction in costs demonstrates a strategic refocus of staffing resources towards direct project delivery, reducing expenditures on core infrastructure roles. For example, the Executive Leadership Team was streamlined from seven members to four, aligning with this cost-effective, project-focused approach.

At the point of filing our 2022-23 accounts in May 2024, several months late, as trustees we were cognisant that we had ended the financial year 2023-24 with another significant operating deficit. Emergency actions were agreed with the Board of Trustees in order that Volunteering Matters remained a Going Concern.

These included the following plans, which as of 1st July 2024 were completed:

- To implement strong financial systems that enabled us to monitor progress with the Board regularly and review the Going Concern status at all key decision points, thus implementing all recommendations in the auditor's management letter.
- To complete an organisational restructure to achieve savings of £800,000 in year
- To have the Levy Centre re-valued and enquire regarding the lifting of 'use of building' planning restrictions.
- To agree support measures in the immediate term with the bank to secure our finances against the Levy Centre asset.
- To develop a financial strategy that diversified income and explored new funding streams.
- To start to build back reserves in line with our reserves policy.

In addition to the above actions we have worked closely with the bank on a recovery plan that has seen us balance the budget in 2024/25, through significant cost savings through restructuring, closing projects or areas of work that were unable to cover their costs, and property rationalization. These cost savings were focused on the core of the organisation to maintain stability and resources at the project and community levels as much as possible. Looking ahead to 2025-26, there is an emerging optimism across the organisation with every member of Volunteering Matters focussed in playing their part in the organisation's recovery. We are diversifying our partnerships and funding approaches; improving our Government relationships and placing Volunteering Matters at the centre of the Civil Society sector development such as co-chairing, 'Vision for Volunteering', continuing to lead and expand #iwill and working with colleagues in Shaping the Future for Volunteering and the 'Big Help Out.' Against a budgeted operating surplus for the year ended 31st March 2025 of £202,000, we are currently projecting a surplus of £215,000. The preliminary budget for 2025-26 reflects a prudent reduction in both income and expenditure, reinforcing confidence in the charity's sustainable financial management. As the charity embarks on its five-year strategy development, under new leadership both at a CEO and Chair level, Trustees are confident that this will further enhance Volunteering Matters' recovery and long-term sustainability.

PS Enterprises Ltd

On 1st April 2023, the activities of PS Enterprises Ltd, a subsidiary trading arm of Volunteering Matters, were closed and transferred to the company as part of a group reconstruction. The PS Bank Account was closed in February 2024 and notification of formal closure was logged with Companies House in October 2024.

Our Impact

from 1st April 2023 to 31st March 2024

10,690

people volunteered and undertook social action through Volunteering Matters projects.

Our Focus



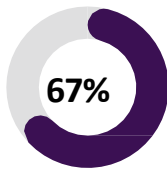
Reduce social isolation and loneliness



of our projects helped to reduce social isolation and loneliness



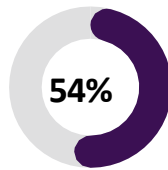
Improve physical and mental health



of our projects helped to improve physical and mental health



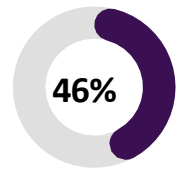
Build skills, confidence and opportunity



of our projects helped to build skills, confidence and opportunity



Ensuring young people can lead change



of our projects helped to ensure young people can lead change

The percentages add up to more than 100% because projects can support more than one theme.

In England

4,136
volunteers supported
5,684
people

in 63 projects

In Scotland

719
volunteers supported
951
people

in 42 projects

In Wales

320
volunteers supported
1,281
people

in 12 projects

+
4,152

volunteers helped transform Scotland's biodiversity through community

Spotlight on some of our projects

1,363

volunteers supported **1,532 people** in **5 nationally delivered programmes.**

Through our **Grandmentors programme**, **286 volunteers** supported **240 care experienced young people** in **15 locations.**

Through our **Family Mentors/Family Supporters programme**, **425 family members** were supported by **99 volunteers.**

Through **Action Earth** in Scotland, **4,152 volunteers** helped transform Scotland's biodiversity.

In Wales, **202 volunteers** supported **234 people** through Volunteering Matters **Befriending Projects.**

568 young people achieved change in their local communities through Volunteering Matters **youth social action projects.**

Over **3,545 volunteers** took part in our **Retired and Senior Volunteers Programme**, leading on change in their local community whilst at the same time improving their own wellbeing



Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the Fundraising Regulator, which sets the standards of fundraising practices in the UK.

We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the Data Protection Act 2018, and the General Data Protection Regulations (GDPR) that flow from this. We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect.

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985. Volunteering Matters is also registered as a charity in Scotland.

Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Board of Volunteering Matters (the Council) comprises the Charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Council also has responsibility for the control and monitoring of the application of these policies. All the members of the Council are statutory directors and charity Trustees.

Volunteering Matters' will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills. All trustees attend a half-day induction session that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Brand, reputation and results
- Programmes, projects and operations
- Documentation and resources

In addition, they are issued with the NCVO handbook for trustees.

In terms of training, trustees are given every opportunity to attend appropriate development sessions organised by charity accountants, solicitors, NCVO, NPC and other organisations.

All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and

projects local to that area.

The following Council committees meet regularly:

- The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy. The Finance and Audit Committee also receives the report from the external auditors, reviews and responds to the findings and recommendations and then monitors the implementation of agreed actions to address issues raised.
- We have a newly established Culture Committee (inaugural meeting November 2024) that will oversee the implementation of our Equality Diversity, Inclusion and Anti-Racism (EDIA) strategy. This Committee, comprising of Trustees, CEO and COO and staff network leads, will monitor and support the implementation of the EDIA plan and ensure that all Board decisions are made with EDIA considerations at the fore.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Council to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Council for all aspects of performance. The Executive Leadership Team comprises the Chief Executive, Chief Operating Officer, Director of Business Development and Corporate Partnerships and the Head of Finance. Key management personnel comprise the Trustees and the Executive Leadership Team.

Remuneration policy

The pay structure in Volunteering Matters is regularly benchmarked against equivalent external roles in our sector. Human Resources monitors our pay and reward strategy, remuneration reviews and all related policies. The organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Statement of Council's Responsibilities

The Council (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Council 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 company for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- and prepare the financial statements on the going concern basis unless it is inappropriate to presume charitable company will continue in operation. Details of the going concern basis of preparation is disclosed in note 1b to the accounts.

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

Insofar as the Council are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- Council members have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

Auditors

Saffery LLP are our appointed auditors and have indicated their willingness to continue in that capacity.

The report of the trustees, which includes the strategic report, has been approved by the Council and signed on their behalf by:

A handwritten signature in black ink that reads "Peta Foxall". The signature is written in a cursive, flowing style.

Peta Foxall CBE
Chair of Trustees
Date: 20th December 2024

Opinion

We have audited the financial statements of Volunteering Matters for the year ended 31 March 2024 which comprise statement of financial activities, statement of financial position, statement of cash flows 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 charitable company's state of affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as 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 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.

Material uncertainties related to going concern

We draw attention to note 1 (b) in the financial statements, which indicates that the company incurred a net operating expenditure for the year ended 31 March 2024 of £606,000 (2023: £582,000 excluding exceptional items). The charitable company is awaiting, at the date of approval of accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The Trustees are also relying on short term bank finance and future sales income for operational needs at the date of approval. The trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to deliver future operating surpluses and to match available resources, given the likely range of outcomes. These events or conditions along with other matters as set forth in note 1 (b), indicate that material uncertainties exist which may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also 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

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries

and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Kenneth McDowell (Senior Statutory Auditor) for and on behalf of Saffery LLP

9 Haymarket Square
Edinburgh
EH3 8RY
Statutory Auditors
Date: 20 December 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Volunteering Matters
Statement of Financial Activities

As at 31 March 2024

	Note	Unrestricted Funds 31 March 2024	Restricted Funds 31 March 2024	Total 31 March 2024	Total 31 March 2023
		£'000	£'000	£'000	£'000
INCOME FROM:					
Donations and legacies	2	219	305	524	1,317
Charitable activities	3	1,095	4,360	5,455	6,161
TOTAL INCOME		1,314	4,665	5,979	7,478
EXPENDITURE ON:					
Raising funds		299	-	299	263
Charitable activities		1,500	4,786	6,286	7,797
Exceptional item - effect of pension settlement		-	-	-	6,418
TOTAL EXPENDITURE	4	1,799	4,786	6,585	14,478
Operating deficit (excluding exceptional item)		(485)	(121)	(606)	(582)
Net (expenditure) for the year		(485)	(121)	(606)	(7,000)
Other recognised gains/ (losses):					
Exceptional item - Actuarial gain on defined benefit pension schemes		-	-	-	15,349
Gain on property revaluation	8	1,050	-	1,050	-
NET MOVEMENT IN FUNDS		565	(121)	444	8,349
RECONCILIATION OF FUNDS:					
TOTAL FUNDS / (DEFICITS) brought forward	12	872	121	993	(7,356)
TOTAL FUNDS / (DEFICITS) carried forward	12	1,437	-	1,437	993

There were no recognised gains or losses other than those stated above.

All the above results are derived from continuing activities.

The notes form part of these financial statements.

**Volunteering Matters
Balance Sheet**

As at 31 March 2024

	Note	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible assets	8	2,219	1,324
CURRENT ASSETS			
Debtors	10	652	666
Cash at bank and in hand		28	440
Current Assets		<u>680</u>	<u>1,106</u>
CREDITORS: amount falling due within one year	11	(1,462)	(1,437)
NET CURRENT LIABILITIES	14	(782)	(331)
TOTAL NET ASSETS		<u><u>1,437</u></u>	<u><u>993</u></u>
THE FUNDS OF THE CHARITY:			
Unrestricted funds:	12	1,437	872
Restricted funds	12	-	121
		<u><u>1,437</u></u>	<u><u>993</u></u>

The notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Council on 20th December 2024 and signed on their behalf by:



Peta Foxall CBE
Chair and Council Member



Simon Judge
Chair of the Finance and Audit Committee

Company Registration No. 01435877

	Total Funds 2024	Total Funds 2023
	£'000	£'000
Reconciliation of Cashflows from Operating Activities		
Net expenditure	(558)	(7,000)
Depreciation charges	121	90
Pension cost adjustment – exceptional	-	6,418
Decrease/(Increase) in debtors	14	702
Increase/(Decrease) in creditors	24	(519)
Cash flows from investing activities		
Purchase of fixed assets	(13)	(137)
Net cash used in investing activities	(13)	(137)
Change in cash and cash equivalents in the period	(412)	(446)
Cash and cash equivalent brought forward	440	886
CASH AND CASH EQUIVALENTS CARRIED FORWARD	28	440

Volunteering Matters
Movement on Cash and Cash Equivalents

For the year ended 31 March 2024

	31 March 2023	Cashflow	31 March 2024
	£'000	£'000	£'000
Cash in hand	440	(412)	28
Overdraft	-	-	-
	<u>440</u>	<u>(412)</u>	<u>28</u>

Prior year movement

	31 March 2022	Cashflow	31 March 2023
	£'000	£'000	£'000
Cash in hand	886	(446)	440
Overdraft	-	-	-
	<u>886</u>	<u>(446)</u>	<u>440</u>

1. ACCOUNTING POLICIES

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England and Wales, and in Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD.

a) Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules.

Company Status

The Charity is a private company limited by guarantee. The members of the Charity are the Board of Trustees as detailed on page 3.

The charity is incorporated in England and Wales and Scotland and registration numbers are detailed on page 3.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of Consolidation

In previous years the charity also produced consolidated financial statements, which included the activity of its subsidiary undertaking Project Scotland Enterprises Limited, which was fully consolidated on a line by line basis in accordance with FRS102. On 1 April 2023, the activities of PS Enterprises Ltd were transferred to the company as part of a group reconstruction, and so it is no longer necessary to produce consolidated accounts. PS Enterprises Ltd was dissolved effective October 2024.

b) Going concern policy

The directors have reviewed the going concern status of the company at the date of approval of the 2024 company financial statements.

The directors consider the company to be a going concern and the financial statements have been prepared on that basis.

At the balance sheet date, the charitable company had total funds of £1,437,000 (2023: £993,000). The company reported a deficit on free reserves of £782,000 at the balance sheet date, (after deducting fixed assets from unrestricted funds) and the Trustees expect to report a modest operating surplus of £215,000 as at, 31 March 2025.

The charitable company relies on bank funder support, grants and contract income from outside sources, the generation of future operating surpluses and sufficient ongoing operating cashflow to finance ordinary activities. The charitable company currently meets its day to day working capital requirements through available cash resources, including receipts from future project income and overdraft facilities to ensure that the company continues to meet obligations when they fall due.

The directors have explored further bank finance on a term basis to remove its cashflow reliance on future contract income, however are relying currently on overdraft finance at the date of approval of the 2024 financial statements.

The directors, mindful of economic headwinds, have taken steps to reduce operating costs to lower levels. The charity continues to seek the necessary contract and funding agreement renewals and new business conversion. As is common with many charitable organisations with income from contracts and other funding agreements, at the date of approval of the accounts, the charitable company is awaiting the outcome of a number of funding applications for both renewal and new business contracts. These remain uncertain at the date of approval. The forthcoming 2025/26 budget is built on a prudent view of these anticipated outcomes. The directors continue to undertake a review of operations to ensure the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes.

Against this background, the directors have considered and approved management prepared financial operating projections for the period to 31 March 2026 which include assumptions for funder support and anticipated costs and income which the directors consider to be reasonable and prudent. In arriving at these assumptions the directors accept that adequate funder support, contract income to forecast levels and anticipated costs to enable the company to commence addressing past deficits are material uncertainties to the going concern basis of preparation at the date of approval of the financial statements.

However, having considered the matters above, the directors are of the view that, at the date of approval of the financial statements, the charity has sufficient reserves and other resources to continue to operate and meet debts as they fall due for the foreseeable future. Therefore, the financial statements have been drawn up on a going concern basis.

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured. Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt. Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However, the value of volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Council for particular purposes and are equal to the net book value of the fixed assets of the organisation. General funds is the measure of usage of free reserves, matched by the relevant net current assets on the balance sheet excluding restricted assets.

c) Resources expended

Resources expended are recognised on the accrual basis in the period in which they

Notes to the financial statements

are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to phasing funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Leasehold property	2% straight line
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

i) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

j) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest

Notes to the financial statements

method. Financial assets include debtor balances except prepayments as shown at Note 10 to the financial statements. Financial liabilities refers to all creditor balances including deferred income, tax and social security as shown at Note 11 to the financial statements.

k) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations.

The long leasehold property is valued professionally by an external valuer with relevant recent experience with the class of property being valued. An inevitable degree of estimation remains as each property is unique and can only be reliably tested in the market itself.

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives are reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

2. DONATIONS AND LEGACIES

31	31
March	March
2024	2023
£'000	£'000

Volunteering Matters
Notes to the financial statements

For the year ended 31 March 2024

Individual and company donations (unrestricted)		219	473
Trusts and foundations (restricted)			
		<u>305</u>	<u>844</u>
		<u>524</u>	<u>1,317</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31 March 2024	31 March 2024	31 March 2024	31 March 2023
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Donations	-	15	15	-
Government local and central	19	2,535	2,554	3,367
European funding	1	-	1	3
Trusts and Foundations (grants)	696	883	1,579	1,332
Corporate	291	543	834	1,079
Health Authorities and boards	-	463	463	-
Other	88	(79)	9	380
	<u>1,095</u>	<u>4,360</u>	<u>5,455</u>	<u>6,161</u>

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES FOR THE PRIOR YEAR

	31 March 2023	31 March 2023	31 March 2023
	Unrestricted £'000	Restricted £'000	Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	563	248	811
Central Government	-	1,646	1,646
Local Government	-	1,721	1,721
European funding	-	3	3
Trusts and Foundations (grants)	67	454	521
Employee Volunteering	(32)	1,111	1,079
Other public sector	134	246	380
	<u>732</u>	<u>5,429</u>	<u>6,161</u>

During the year the trustees have refined their presentation of note 3 and represented the comparative figures.

4. TOTAL RESOURCES EXPENDED

	Staff costs (Note 7)	Other direct costs	Support costs	31 March 2024	31 March 2023
--	----------------------------	--------------------------	------------------	------------------	------------------

Volunteering Matters
Notes to the financial statements

For the year ended 31 March 2024

	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	270	5	24	299	263
Charitable activities (unrestricted)	497	736	267	1,500	1,496
Exceptional item	-	-	-	-	6,418
Unrestricted expenditure	767	741	291	1,799	8,177
Charitable activities (restricted)	3,483	293	1,010	4,786	6,301
Total resources expended	4,250	1,034	1,301	6,585	14,478

Charitable activities include

- 1) Core Activities (19%)
- 2) Project Delivery (78%)
- 3) Influencing Work (3%)

- Staff costs and other direct costs are a mixture of restricted and unrestricted costs.
- Exceptional item - the charity exited the defined benefit pension scheme in February 2023 and an exceptional accounting charge under FRS102 arose.
- Restricted costs are made up of delivery projects cost. Unrestricted costs are made up of central staff costs and unrestricted project costs. The total governance cost includes a proportion of support costs.
- Support costs comprise of operational costs, IT and other administrative costs.

TOTAL RESOURCES EXPENDED FOR THE PRIOR YEAR

	Staff costs (Note 7) £'000	Other direct costs £'000	Support costs £'000	Cost Allocation £'000	31 March 2023 £'000
Cost of raising funds	180	45	38		263
Charitable activities - investing in volunteering	98	1,496	883	(981)	1,496
Exceptional item	6,418	-	-	-	6,418
	6,696	1,541	921	(981)	8,177
Charitable activities	5,181	21	118	981	6,301
Total resources expended	11,877	1,562	1,039	-	14,478

- The expenditure of the charitable company is £14,478,000, which is as detailed above.
- Exceptional item - the charity exited the defined benefit pension scheme during the year and an exceptional accounting charge under FRS 102 arose.
- Cost allocations reflect core project costs of £796,000, and £185,000 of central management costs incurred on restricted income projects in the year.

5. GRANTS PAID – included in note 4 direct costs

	Total 31 March 2024	Total 31 March 2023
--	------------------------	------------------------

Volunteering Matters
Notes to the financial statements

For the year ended 31 March 2024

	£'000	£'000
Action Earth Community based projects paid to organisations	30	32
	<hr/> 30	<hr/> 32
Grants paid to organisations during the year were paid as follows:		
Number of project grants less than £2,000	163	145
	<hr/> 163	<hr/> 145

6. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:	31 March 2024	31 March 2023
	£'000	£'000
Depreciation	121	90
Auditors' remuneration (see below):	35	68
Operating lease rentals: Property	102	71
	31 March 2024	31 March 2023
Audits' remuneration (excluding VAT)	£'000	£'000
External audit (current year)	34	50
Non audit services	1	18
	<hr/> 35	<hr/> 68
	<hr/>	<hr/>

7. STAFF NUMBERS AND COSTS

	31 March 2024	31 March 2023
	£'000	£'000
Wages and salaries	3,976	4,794
Social security costs	167	480
Defined contribution pension scheme costs	107	185
Defined benefit pension scheme interest and settlements (note 16)	-	6,418
	4,250	11,877
	2024	2023
Number of staff earning more than £60,000 in the accounting year:	No.	No.
Number of employees receiving £90,001- £100,000	1	1
Number of employees receiving £70,001- £80,000	1	1
Number of employees receiving £60,000- £70,000	1	2
	3	4

The total earnings including pensions of the charity's key management personnel was £245,992 (2023: £364,242). The charity's key management personnel consists of the CEO, Director of Delivery (now COO) and Director of Partnerships and Business Development.

The average weekly number of employees, expressed as head count and as full-time equivalents, during the period was:

	Head count		Full time equivalents	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	No.	No.	No.	No.
Charitable activities	140	183	126	112
Fundraising	14	13	14	13
Governance	1	1	1	1
	155	197	141	126

8 TANGIBLE FIXED ASSETS	Long Leasehold properties	Plant and equipment	Motor Vehicles	31 March 2024
	£'000	£'000	£'000	£'000
At 1 April 2023	1,611	423	108	2,142
Additions	-	13	-	13
Levy Centre	509	-	-	509
Revaluation				
At 31 March 2024	2,120	436	108	2,663
Depreciation				
At 1 April 2023	495	322	-	817
Charge for the period	46	38	37	121
Revaluation	(541)	-	-	(541)
Loss on sale of vehicle	-	-	48	48
At 31 March 2024	-	360	85	445
Net book value				
At 31 March 2024	2,120	76	23	2,219
At 31 March 2023	1,116	101	107	1,324

The Levy Centre had an independent property valuation carried out June 2024, conducted by a valuer appointed by our bank.

The property was valued at £2.1m therefore the fixed assets have been adjusted to carry this valuation with the gain being carried directly to the designated fund.

The Trustees are of the opinion that this is the appropriate carrying value as at 31 March 2024.

A loss on the sale of a motor vehicle was recognised in administrative expenses during the period. The vehicle was sold in June 2024 for £23,000.

9. INVESTMENTS

Volunteering Matters investment in PS Enterprises Ltd was dissolved in the year, with PS Enterprises Ltd merging with Volunteering Matters on 1st April 2023. Please refer to note 1a for further explanation of the transfer.

10. DEBTORS

	31 March 2024	31 March 2023
	£'000	£'000
Trade debtors	227	409
Accrued income	355	189
Prepayments	64	40
Staff floats	2	6
Staff Loans	-	2
Due from PSEL	-	36
VAT Receivable	-	(15)
Corporation tax provision - PSE	1	-
VW Disbursements	3	-
	<hr/> 652	<hr/> 666

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2024	31 March 2023
	£'000	£'000
Trade creditors	268	102
Social security and other taxes	94	94
Accruals and other creditors	153	134
Deferred income (see below)	898	1,081
Pension	25	26
VAT Liability	24	-
	<hr/> 1,462	<hr/> 1,437

The bank overdraft is secured against the property of the company and a debenture. The company has an overdraft limit with Barclays Bank PLC of £400,000. The property was valued at £2.12m on 12 June 2024, the valuation was carried out by Bellveue Mortlakes.

Deferred income

Balance b/f	1,081	943
Amount released to incoming resources	(1081)	(943)
Amount deferred in the period	898	1,081
Balance c/f	<hr/> 898	<hr/> 1,081

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income.

STATEMENT OF FUNDS

	31 March 2023			31 March 2024		
	Brought forward	Incoming resources	Resources expended	Transfers	Gains/ (losses)	Forward
Summary of funds	£'000	£'000	£'000	£'000	£'000	£'000
<u>Unrestricted Funds:</u>						
Designated funds	1,324	14	(121)	(48)	1,050	2,219
General fund	(452)	1,300	(1,678)	48	-	(782)
Total unrestricted fund	872	1,314	(1,799)	-	1,050	1,437
Restricted funds	121	4,665	(4,738)	-	(48)	-
Total funds	993	5,979	(6,537)	-	1,002	1,437

STATEMENT OF FUNDS FOR PRIOR YEAR

	31 March 2022			31 March 2023		
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
SUMMARY OF FUNDS						
<u>Unrestricted funds:</u>						
Designated funds	1,278	136	(90)	-	-	1,324
General fund	67	1,150	(1,669)	-	-	(452)
Total unrestricted fund before pension deficit	1,345	1,286	(1,759)	-	-	872
Less Pension Deficit	(8,931)	-	(6,418)	-	15,349	-
Restricted funds	230	6,192	(6,301)	-	-	121
Total funds	(7,356)	7,478	(14,478)	-	15,349	993

Unrestricted designated and general expenditure relates mainly to non-project costs.

Company restricted funds represent balance in respect of many on-going projects where funds have been applied, having been restricted in terms of the funding agreements.

Significant restricted funds received and incurred in the year included:

Grandmentors Control Account (£98,600), Grandmentors Lewisham (£60,000) and Grandmentors Suffolk (£66,642): Grandmentors recruits and supports volunteers aged 50+ to share their skills and experience to mentor young people leaving the care system. These young people often need a guiding hand to support them to build independence and life skills such as finding work, continuing their education or begin training.

Team London Ambassadors (£380,624): Young people with special educational needs or who have been excluded from mainstream education from across London helping others and influencing social changes by delivering social action projects in the communities they live in across the Capital.

#iwill project (£370,033): #iwill is a movement that empowers 10–25-year-old to make a positive difference on the issues that affect their lives, communities and society.

NCS Targeted (£94,507): Young people in secondary schools across Suffolk participate in a structured social action programme which culminates in young people leading social action activities which influence social change and benefits the local community.

Get The Gen (£109,913): Training and development service that provides employers with the knowledge, understanding and support to recruit and support more young people into the workforce.

VsF Greenwich, Family Mentors (£83,000), VsF Southend, Family Mentors (£85,810) and Family Supporters Edinburgh (£100,078): Volunteers Supporting Families (VsF) provides 1;1 support for families referred to Volunteering Matters via Local Authorities. The Families supported are either 'in crisis' and are being closely supervised by the local authority or they have been identified as being 'in need' and may need short term support to help them through a challenging period. The support is provided by trained volunteers, who are supported by Volunteering Matters staff members.

Match and Mentor (£171,521): Volunteers support adults with learning difficulties to live independent lives, support is provided 1:1 and via group sessions.

Newcastle Volunteer Development (£76,494): Volunteering Matters manages the Volunteer Centre in Newcastle, this involves signposting members of the community in Newcastle with 200 plus volunteering opportunities across the City. VM has also developed a Volunteer Passport scheme, which recruits and trains volunteers to volunteer in a range of social care charities across the city.

Home from Hospital (£120,000): Home from Hospital provides services for patients aged 55 and over who have been discharged from hospital, helping them to get back home safely and stay home gaining their independence. Other support can range from collection of prescription medication to taking the bins out.

Volunteering Works programmes (£522,283): Volunteering Works provides a service to 30 plus corporate clients providing community voluntary opportunities for their workforce, this service is provided via team days and ongoing regular opportunities.

ProjectScotland Edinburgh (£70,726): Providing mentoring and job coach support to working age adults in Edinburgh who have been unemployed for a long time.

Castlebrae (£81,893): Supporting young people aged 13 -16 in high school, who have started to disengage from school and face numerous barriers to achieving their goals. VM provides young people with a wrap-around support package, which involves a tailored and supportive volunteering placements and the opportunity to be matched to a mentor for up to 12 months.

Youth VIP (£131,600): Building capacity and knowledge for charities across Scotland to offer volunteering opportunities to young people, this is achieved through lobbying national government, 1:1 Support for charity leaders and a variety of training and development opportunities.

MK Volunteer Driver Service (£120,679): Volunteer drivers taking isolated older people to medical appointments, this includes local GP appointments and long-distance hospital appoints. The service also involves volunteer drivers taking children and young people to family contact appointments.

Lifelines (£113,749): Volunteers aged 50 plus organise group activities for older people living in sheltered housing schemes to enjoy, examples include creative writing, seated exercise classes and bingo.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted funds	Unrestricted funds	Total funds
	£'000	£'000	2024 £'000
Tangible fixed assets	-	2,219	2,219
Net Current Assets	-	(782)	(782)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets at the period end	-	1,437	1,437

**ANALYSIS OF NET ASSETS BETWEEN FUNDS
FOR THE PRIOR YEAR**

	Restricted funds	Unrestricted funds	Total funds
	£'000	£'000	2023 £'000
Tangible fixed assets	-	1,324	1,324
Net Current Assets	121	(452)	(331)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets at the period end	121	872	993

15. OPERATING LEASE COMMITMENTS

The charity's future minimum operating leases payments are as follows:

	2024 Land and buildings	2023 Land and buildings
	£'000	£'000
Not later than one year	21	44
Later than one year but not later than five years	6	-
	27	44

16. PENSION CONTRIBUTIONS AND COMMITMENTS

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

A number of current and former employees also have pensions with the Islington Defined Benefit Scheme, this is now a paid up pension scheme and therefore cannot be contributed to.

Please refer to note 1a for the details of the transaction relating to the cessation of the Islington Defined Benefit Scheme.

The disclosures set out below are based on the financial data supplied by Mercers, the Actuary to the London Borough of Islington. A triennial actuarial valuation of the Scheme was carried out at 31 March 2019 and was rolled forward to 31 March 2021. This was updated at 31 March 2021 by a qualified actuary using assumptions that are consistent with the requirements of FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The major assumptions used for the valuation were:

	2024	2023
	%	%
Discount rate	-	4.6
Inflation (CPI)	-	2.5
Salary increases	-	4.0
Increases to pension in payment	-	2.6
Life expectancy current pensioner age 65 male	-	21.8
Life expectancy current pensioner age 65 female	-	24.1
Life expectancy pensioner age 65 male 20 years' time	-	23.0
Life expectancy pensioner age 65 female 20 years' time	-	25.8

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2024 were:

	2024	2023
	Value of assets	Value of assets
	£'000	£'000
Equities	-	-
Other bonds	-	-
Property	-	-
Cash/liquidity	-	-
Other	-	-
Total fair value of assets	-	-
Present fair value of funded benefit obligations	-	-
Deficit	-	-

16. Continued...

Components of pension cost	2024	2023
	£'000	£'000
Interest on pension liabilities	-	-
Interest on plan assets	-	207
Effect of Settlements	-	6,211
Total pension cost charged to expenditure	-	6,418
Change in benefit obligation	2024	2023
	£'000	£'000
Benefit obligation at beginning of year	-	(61,777)
Interest on pension liabilities	-	(1,423)
Actuarial (losses)	-	18,191
Benefits/transfers paid	-	1,085
Settlements	-	43,924
Benefit obligation at end of year	-	-
Change in plan assets	2024	2023
	£'000	£'000
Fair value of Scheme assets at beginning of year	-	52,846
Expected return on plan assets	-	1,216
Actuarial gains / (losses)	-	(2,842)
Employer contributions	-	-
Benefits/transfers paid	-	(1,085)
Settlements	-	(50,135)
Fair value of Scheme assets at end of year	-	-
Statement of actuarial gains/(losses)	2024	2023
	£'000	£'000
Change in benefit obligation	-	18,191
Change in plan assets	-	(2,842)
Net gain	-	15,349

17. RELATED PARTIES

The Trustees received no emoluments in the period (2023: £nil).

During the period no Council members (2023:3) received reimbursement for travel & subsistence expenses (2023: £3,182).

No remuneration nor payment for services was paid to any member of the Council (2023: none).

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2023

	Unrestricted Funds	Restricted Funds	Total to 31 March 2023
	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	676	641	1,317
Charitable activities	610	5,551	6,161
Property income	-	-	-
Other income	-	-	-
Total income and endowments	1,286	6,192	7,478
EXPENDITURE ON:			
Raising funds	263	-	263
Charitable activities	1,496	6,301	7,797
Exceptional item – effect of pension settlement	6,418	-	6,418
Total expenditure	8,177	6,301	14,478
Net income/(expenditure) for the year	(6,891)	(109)	(7,000)
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	15,349	-	15,349
Net movement in funds	8,458	(109)	8,349
RECONCILIATION OF FUNDS:			
TOTAL FUNDS / (DEFICITS) brought forward	(7,586)	230	(7,356)
TOTAL FUNDS / (DEFICITS) carried forward	872	121	993

19. POST BALANCE SHEET EVENTS

In June 2024 the property owned by Volunteering Matters was revalued by an independent valuer. Further details can be found on note 8 to the financial statements.

Total aggregate unrestricted donation of £10,000 was received from one Trustee on 18 April 2024.

VOLUNTEERING MATTERS

England & Wales - Charity number 291222

Accounts

Company Registration No. 1435877
Charity Registration No. SC039171 (Scotland)
Charity Registration No. 291222 (England & Wales)

Volunteering Matters

**Annual report and financial statements
for the year ended 31 March 2023**

Volunteering Matters

Contents

	Page
About Us	3
Chair of Council Report	4
Chief Executive's Report	5
Report of the Trustees including the Strategic Report	7
Independent Auditor's Report to the Trustees	17
Consolidated Statement of Financial Activities	22
Volunteering Matters Statement of Financial Activities	23
Consolidated Balance Sheet	24
Volunteering Matters Balance Sheet	25
Consolidated Statement of Cash Flows	26
Volunteering Matters Statement of Cash Flows	27
Notes to the Financial Statements	28

Volunteering Matters

About Us

President	Lord Freud
Trustees	Anne Heal Simon Judge Julie Kirkbride Katrina Lambert Sue Maskrey Zara Todd Craig Hamilton Julie-Anne Jamieson Pru Whitwell Katie Farrington (appointed 8 February 2023) Lanai Collis-Phillips (appointed 14 February 2023) Sacha Tokhmeh Foroush Hamed (appointed 28 February 2023) Moawia Bin-Sufyan (appointed 28 September 2023) Michael Abrahams (appointed 8 February 2023, resigned 22 March 2024) Andrew Hudson (resigned 28 September 2023) Patrick Luong (resigned 8 March 2023) Martin Fleming (resigned 12 October 2023)
Company Registration No.	1435877
Charity Registration No.	SC039171 (Scotland)
Charity Registration No.	291222 (England & Wales)
Company Secretary	Paul Reddish (resigned 31 December 2023) Amanda Naylor (appointed 1 January 2024)
Principal Address	Volunteering Matters The Levy Centre 18-24 Lower Clapton Road London E5 0PD
Independent Auditor	Saffery LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA

Volunteering Matters
For the year ended 31 March 2023
Chair of Council Report

The challenges that have beset charitable organisations in the UK have continued into the current year. The rising cost of living, the complexities of adapting to new working practices in a post-COVID-19 world, and ongoing fiscal challenges facing our country have tested our sector's strength and resilience. Yet, in the face of these trials, I am immensely proud of the work the Volunteering Matters team do to empower and support communities throughout the UK.

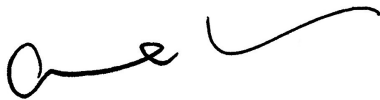
Faced with this situation, our charity took proactive steps to secure our sustainability as have so many others. This involved a concerted effort to reduce overheads. Regrettably, this initiative necessitated a staffing restructure, leading to a need to reduce our operations.

Our commitment to delivering a diverse range of projects across England, Scotland, and Wales remains unwavering. We remain committed to continuing making an impact on the lives of those we serve and we continue to weather the challenges that the economic environment presents us with.

I can assure you that we will continue to focus our efforts on building support and resilience for our volunteers and the communities they support.

I extend my gratitude to all our President Lord Freud, Trustees, staff, volunteers, donors, and funders who have continued to support us in these challenging times. Your belief in our mission is what fuels our commitment to making a real and positive difference in the communities we serve.

We are more determined than ever to adapt to an ever-changing world, overcome challenges, and deliver meaningful impact. With your continued support, we look forward to a brighter, more hopeful future for communities in the UK.



Anne Heal

Chair of Trustees

As the newly appointed CEO of Volunteering Matters in January 2024, I am in the position of authoring a report for a time period that was led by my predecessor, Paul Reddish OBE. This period post Covid, with the impact of cost of living and austerity that followed, continued to be turbulent and exceptional in the landscape that emerged and required agile leadership and difficult decisions.

Exceptional circumstances require exceptional levels of commitment and energy that cannot be sustainable for the sector, its staff, volunteers and the communities we work alongside in the long term; but for yet another year the amazing team at Volunteering Matters did exactly that.

The year from a financial point of view, was very difficult to navigate with lots of uncertainty, including the Cost of Living crisis causing unexpected rises in costs, Local Authority budget cuts that reduced grant sizes (or remained the same) whilst expenditure to deliver these vital programmes of work soared. Alongside this the organisation experienced delays to various statutory funds, this caused a huge squeeze on cashflow and budget, which led to widespread restructuring in year.

Interestingly, it wasn't all hardship - the turbulent economic conditions did create an unusual one-off opportunity. For the first time in decades, our LGPS pension scheme was favourable to exit, having carried significant deficits on our balance sheet for many years. In February 2023, the organisation took the decision to exit the scheme, leaving it free from any further debt or liability. This has resulted in the charity's balance sheet looking healthier, in spite of the medium-term challenges posed by multi-year budget deficits and ongoing cost of living challenge.

However, 2022/23 year ended in a deficit position with the organisation dipping further into reserves, whilst working to develop a plan that provided a level of financial security and stability. There is still a considerable amount of work to do in that space with some further cost saving activity to undertake.

In terms of the need for Volunteering Matters services and the impact of the work, the need for communities to pull together in support of each other has never had more relevance, and by proxy nor has Volunteering Matters. It is an essential part of the fabric of the UK, and the team of dedicated individuals who are working alongside our communities in England, Scotland and Wales, have demonstrated dedication, compassion and skill that has improved life outcomes particularly for those most under served in society.

There is so much to be proud of, from our award winning Grandmentors programme, to the ongoing success and growth of the #iwill movement, and our exciting collaboration with NCVO, NAVCA, Sport England and DCMS on the Vision for Volunteering for England. The work we do is impactful, rich and varied and provides real solutions to the challenges faced in communities and by gaps in statutory services.

I know that Paul was hugely proud of all the charity had achieved, and what he had been able to contribute as CEO, and he would join me in saying a huge thank you to all our volunteers and funders, who without your generosity over the last few years, we would not be who we are today. You continue to inspire and are a credit to the communities of the UK.

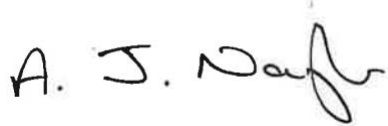
Despite the amazing work that Volunteering Matters has delivered, as CEO I have inherited an organisation that has some sizeable and long-standing gaps that need to be addressed quickly if we are to survive and continue to deliver impact into future years. A more agile response to contract wins and losses is necessary to ensure that income and expenditure remains in line across the year. More cost saving activity is planned to bring central costs down whilst also finding new mechanisms to support projects to maintain delivery of their work in an impactful and safe way. We are reviewing our

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

need for offices and are exploring how we maximise use of the Levy Centre to help us generate income to offset its costs. After changing financial systems mid-year in 22/23 we have not fully maximised the reporting functions of the system, and this is priority to ensure that we are live to any changes in forecasts and can respond accordingly. We also aim to expand our work in the corporate sector to help us build back reserves that have been substantially depleted.

However, with some strong contract wins at the beginning of 24/25, a talented workforce and quality delivery of projects, I believe we have the right ingredients to build back and create a more stable financial position and begin to improve our reserves in coming years.

The next 12 months will be a critical time for the charity and will require authentic and forward-thinking leadership, with practical approach to challenges that undoubtedly will come our way. This charity has worked alongside and served communities in the most innovative and empowering of ways for the last 60 years and we will work tirelessly to ensure that its legacy and ongoing impact continues.

A handwritten signature in black ink that reads "A. J. Naylor". The signature is written in a cursive style with a large, sweeping flourish at the end.

Amanda Naylor OBE

Chief Executive Officer

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

We are pleased to present our Trustees report including the Strategic Report for the year ended 31st March 2023.

Our Aims and Objectives

At Volunteering Matters, we bring people together to overcome some of society's most complex issues through the power of volunteering. This builds stronger communities and enables everyone to thrive.

We work with local partners, turning local knowledge and energy into action and progress.

We work with volunteers to make a real difference on the issues they care about, from immediate responses to fostering long term change. We enable volunteers to use their local knowledge and life experiences and collectively we tackle complex issues.

In line with our overall strategy our projects support one or more of these areas:

- Reducing social isolation and loneliness
- Improving mental and physical health
- Building skills, confidence and opportunity
- Ensuring young people can lead change.

Achievements and Performance

At Volunteering Matters we bring people together to overcome some of society's most complex issues through the power of volunteering. This builds stronger communities and enables everyone to thrive. We work with local partners, turning local knowledge and energy into action and progress. And because we are a national charity, we do this at scale.

We work with volunteers to make a real difference on the issues they care about, from immediate responses to fostering long term change. We enable volunteers to use their local knowledge and life experiences and collectively we tackle complex issues.

We believe that communities have the power, knowledge and energy to improve themselves from within and that we are most effective when we work with people, not on their behalf – and we achieve this with local partners.

Social action involves people coming together to improve their lives and solve the problems that are important in their communities. At Volunteering Matters, this is through volunteering, community organising and simple neighbourly acts. In doing so, the projects work towards the following aims:

- Reduce social isolation and loneliness
- Improve mental and physical health
- Build skills, confidence and opportunity
- Ensuring young people can lead change.

The Future of Volunteering

We advocate for an equitable future for volunteering. We are a proud partner of The Vision for Volunteering, which aims to create a diverse, innovative, ambitious, equitable and person-centred outlook for volunteering.

In Scotland, we strongly support The Volunteering Action Plan which aims to create a Scotland where everyone can volunteer, more often, and throughout their lives.

We are a signatory and advocate of the Power of Youth Charter, an expression of the power young people have to lead positive change.

Our Impact

In 2022-23, we continued to grow our impact culture across the organisation, using the skills within the core of the organisation to devolve impact into the hands of those that know it best - our volunteers and delivery teams.

We have continued to build our Impact infrastructure, building and implementing our Impact Tracker across our mentoring projects.

Our approach to growing an impact culture has resulted in more sustained measurement of impact across our projects and further place-based impact reports produced for projects that range greatly in their size, scope, issues and geographies.

Alongside this we have again produced overarching organisational impact reports – one for our Grandmentors programme and an overarching Annual Impact Report for our activity across England, Scotland and Wales.

Highlights from our Annual Impact Report are detailed below:

Key Statistics

8,652 people volunteered and made a difference in their community, across England, Scotland and Wales, across 156 projects

18,360 people were supported by volunteers

In England 1,497 volunteers made a difference and supported 9,138 people

In Scotland 3,745 volunteers made a difference and supported 1,766 people

In Wales 321 volunteers made a difference and supported 2,119 people

3,089 volunteers made a difference and supported 5,337 people in our nationally delivered programmes.

Our Place Based Approach in England, Scotland and Wales

In Ipswich, through Youth Switching on Ipswich – A Youth Social Action group of 12 Youth Ambassadors, aged 15-19, have created a series of Hackathons to bring people together to explore innovative ideas for change. This includes an event focusing on young peoples' points of transition in their lives involving commissioners and change makers in Education and Public Services across

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

Ipswich. The #iwill Movement and Volunteering Matters worked in collaboration with the Youth Ambassadors to put the youth voice at the heart of decisions being made in the town.

Young people created a programme for children transitioning to high school. This is part of Ipswich Borough Council's Annual Community Safety Programme for all schools in Ipswich.

1,400 young people completed the programme, which also included material to support teachers with tricky conversations that may occur after the workshops.

In Norfolk, through Match and Mentor, adults with learning disabilities and other support needs undertook volunteering opportunities and other social activities in their local community. Supported volunteering placements at community cafes, charity shops and local allotments, enables the adults with learning disabilities to make a difference in their community in the areas they care about. At the same time creating environments in which everybody in the community can learn from each other.

19 Volunteers supported 38 people to volunteer and take part in social activities

In Warwickshire, through Connect+Go our volunteer transport service has reduced loneliness and isolation in the community of Warwickshire. Funded by the Department of Transport, the project runs hand in hand with our Grandmentors project supporting young people in care from Warwickshire Council's Asylum and Leaving Care team. Using our energy efficient mini-bus, Connect+Go volunteers drive people to social and educational events, which helps to increase their community inclusion and well-being. Asylum seekers, refugees and care leavers regularly use the service which prevents them from becoming isolated.

Connect+Go had 1,418 passengers. Volunteer drivers made 2,832 single trips to 279 destinations

In London, through our London Young Ambassadors (YLA) programme, and with support from the Greater London Authority and the #iwill Fund, we partnered with schools across London so that students could design and deliver their own social action projects over a 6-week period.

We focused on Alternative Provision schools and Special Educational Need and Disabilities (SEND) schools as young people from lower socio-economic backgrounds and with disabilities are less likely to have access to meaningful social action activities.

The young people undertook social action on topics of importance to them. In doing so meeting and interacting with new people they would not otherwise have. They are also become more active in their local communities.

Through this project we engaged 33 Schools across 22 London Boroughs involving 294 young people

In Dundee and Edinburgh, The Inspire Project provided support to New Scots aged 16-35 by offering supported volunteering opportunities, mentoring relationships and employability skills development. Refugees and asylum seekers were supported to integrate into their local community, build personal, professional networks and develop skills and confidence to support them in their journey.

A true community focused project, Inspire fostered collaboration with local partners. 38 people have been supported by Inspire and 15 Charity partners host volunteering placements.

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

In Blaenau Gwent and Flintshire, a new project was launched for volunteers aged 50+ The volunteer-led activities now undertaken are based on needs identified by the local community. The activities take advantage of volunteers' skills and experience whilst promoting social inclusion.

The project includes a volunteer-led knitting group. The knitting group meets every week, with a passionate, committed core of volunteers and others joining less regularly. The Lunch Cub meets weekly.

This project is already going from strength to strength, including a partnership with United Welsh housing to develop volunteer activities to support their most isolated residents. Volunteers have also begun helping pupils of Ebbw Fawr Learning Community (primary school), encouraging them to read and building their reading ability and confidence.

23 volunteers have used their skills and experience to support others and increase social inclusion.

National Programmes with a Local Focus

Through The Grandmentors Programme, care experienced young people have again this year been supported to be autonomous, capable, and empowered adults. A mentor is typically aged 50 years or over and a mentee is a young person typically aged 16-24. This programme recruits older volunteers who use their life experience and skills to provide emotional and practical support to young people transitioning from the care system to independent living. Now operating in 14 places, 188 Care Experienced Young People were successfully matched and 120 Mentee Relationships ended successfully.

Through Family Mentors and Family Supporters, across four places, Volunteering Matters works with families involved with social services. Volunteers are trained and supported by staff, before providing tailored weekly support to the family, empowering the family to be self-sufficient, de-escalated from their child protection plans and to set and reach their own goals. 750 family members were supported by 189 volunteers.

The #iwill Movement

The #iwill Movement aims to make participation in social action - volunteering, fundraising, mentoring and campaigning - the norm for young people aged 10 to 25 years old. In doing so, amplifying their voices to take an active role in transforming their communities. The #iwill Movement has an impact both within communities and within the young people themselves.

To celebrate the 10-year landmark, and to co-launch the new partnerships structure for the movement, we hosted the first #iwill Movement Assembly in November, at the House of Commons, during November's #iwill week.

Between April to September, 405 young people registered as #iwill Champions.

70 new organisations signed up to the Power of Youth Charter. To date, 341 organisations have signed the Charter.

63 new Ambassadors were recruited in July, making a total of 330 Ambassadors.

Retired and Senior Volunteers Programme (RSVP)

Running for over 32 years, The Retired and Senior Volunteer Programme (RSVP) continues to provide volunteering opportunities primarily for the 50+ age group to use their skills and experience by

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

volunteering for the benefit of their local communities. The Project Organisers are themselves volunteers – developing and managing local projects, utilising their life experience and local knowledge. In essence RSVP provides important community action whilst the volunteers themselves also report benefits to their own health and well-being.

1,083 people aged 50+ made a difference in their communities through the RSVP Programme.

In October, RSVP West's Volunteer Regional Coordinator, Bob Maggs, was recognised at the BBC Make A Difference Awards.

FINANCIAL REVIEW

Results for the year 2022/23 results reflect what has been a turbulent time within the sector. The underlying operating and financial model of the charity continues to be challenging.

The year 2022/23 was one of our most challenging yet. We had expected further growth in income through various local authority contracts, which were delayed for a variety of reasons. Much of this was linked to the relative turmoil affecting our statutory partners at national and local level, leading to significant delays in decision making or to budget cutbacks. Therefore, our income remained static, at £7.5m, the same level as in 2021-22.

This was combined with the significant cost increases across the economy, in particular energy prices, and general cost of living pressures. It became clear during the summer of 2022 that our original budgetary assumptions were not going to be deliverable, as we faced both income delays and significant and immediate cost rises. Our core operating costs increased from £7.8m in 2021/22 to £8.2m in 2022/23. We had no choice but to restructure fast, significantly reducing the size of the organisation to meet this challenge.

The significant deficit in 2022/23 is indicative of the lag between this restructuring, the continual income delays and the rising costs, all of which hit hard and fast in the summer of 2022. The operational deficit increased from £319k in 2021/22 to £593k in 2022/23.

This year in 2023/24 the picture is sadly similar. Our income has reduced and so has our cost base – just not to the levels needed to create a balanced budget. We were able to exit a number of property arrangements which were partially contributing to the steep deficits; however, an in-depth review of costs has meant a further restructure in 2023/24 which will help to bring our operating costs within our means again. We expect a further operating deficit in 2023/24, of approximately £400k. The Trustees have now approved a budget for 2024/25 that we expect to deliver an operating surplus of about £200k, and so start to rebuild our Reserves to more comfortable levels.

The task of rebuilding reserves will take several years to proceed. We are doing so from a lower cost base, with less risks including having exited pension liabilities and reducing properties we operate from, and a solid base of income and contracts to underpin our work.

Given the current financial climate, we do not anticipate growth in Charitable income, and therefore we plan to keep operating costs to a minimum. The one exception is our work with Corporate Organisations, which continues to grow despite the challenging environment. We intend to continue to invest effort and energy into this, as a method for rebuilding reserves.

The operating climate remains challenging and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years. We are very fortunate as a charity to have a significant property asset we own outright which

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

gives us some form of safety net should we need it, nonetheless our focus over the coming financial years will be on building free reserves through operational surpluses from 2024/25 onwards.

One favourable outcome of the turmoil of last year was the pensions market, in which we took advantage of a vastly improved picture by exiting our legacy Local Government Pension Scheme. This has sat as a significant liability on our balance sheet for years and has now been settled with Islington Pension Scheme at a nil cessation value. This exceptional transaction appears in two places in the Statement of Financial Activities: a charge to the income and expenditure account of £6.4m, and an actuarial gain of £15.3m, which is detailed as an exceptional item of the accounts. The pensions liability (and associated reserve) no longer appears on our balance sheet. This was a significant financial milestone in securing the long-term future of the charity and reducing our risk profile.

Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the Fundraising Regulator, which sets the standards of fundraising practices in the UK.

We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the General Data Protection Regulation (GDPR) 2018. We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect.

Future plans, risk management and reserves

The main risk for the charity is not closing the operational deficit and being unable to rebuild free reserves. This is being addressed through a combination of managing costs, restructuring where necessary, identifying and addressing projects which do not return sufficient contribution and securing more work, supported by the Director of Business Development and Impact. Monthly reporting of project income and costs and detailed analysis has been progressed but, during the year, had not reached the stage of providing sufficient information on which to base decisions. These systems are now in place and contingency plans can be enacted quickly if forecast budget goes off-target.

The organisation has overdraft facilities available to it, to support the fluctuations in cashflow, which are secured on owned property. The Trustees are considering if this facility is sufficient to support the organisation's continued operations and are also in positive discussions with the Bank for alternative arrangements to cover the next few years, whilst free reserves are returned to an appropriate level. Progress towards the targeted free reserves is reported on and monitored by the Finance and Audit Committee and any corrective action identified as necessary will be monitored by this committee.

The reserves position is reviewed at the Finance and Audit Committee regularly and is approved annually at Council. The Trustees are satisfied that this strategy is appropriate based on the assessment of going concern detailed below.

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

Reserves

The Trustees are responsible for ensuring that the reserves policy is fit for purpose and meets the requirements of the Statement of Recommended Practice for charity accounting (FRS 102) and in addition, have considered the Charity Commission's guidance on the matter specifically:

1. the reasons why the charity needs reserves;
2. what level of reserves the Trustees believe the charity needs;
3. what steps the charity is going to take to establish this agreed level;
4. what the appropriate arrangements are for monitoring and reviewing this policy.

The Reserves Policy in place for the year ending 31st March 2023 is based on the level of reserves excluding three items:

- restricted reserves, which can only be spent to support particular projects;
- any pension deficit, because this deficit will not be payable in full for many years;
- the net book value of the properties held for the charities own use, which is the fixed assets designated reserve;

Group available reserves

	2023	2022
	£'000	£'000
Total Reserves excluding pension deficit reserve	1,012	1,605
Less restricted funds	(151)	(260)
Unrestricted reserves	861	1,345
Free reserves	(463)	67

In riding out current challenges, we have had to use all of our free reserves and are reporting negative free reserves in FY 2022/23. We expect our overall reserves to bottom out at around £550k in March 2024, and then to rebuild from that level.

Given the current position this decision will remain under review regularly during the year until operating surpluses are being delivered on a sustainable basis.

Going concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow daily, has monthly compliance meetings, and has proactive and robust procedures for ensuring management of debtors. During the last twelve months improvements in providing meaningful management information have been made, and going forward the Finance and Audit Committee will review the position monthly.

Given the current financial climate, our forecasts for 2024/25 predict a small reduction in our income, as opposed to previous predicted continued growth. The restructuring and changes across the previous two financial years should enable us to post surpluses in spite of this reduction in future financial years.

In riding out these challenges, we have had to use all of our free reserves and are reporting negative free reserves in FY 2022/23 and 2023/24. We expect our overall reserves to bottom out at around

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

£550k in March 2024, and then to rebuild from that level. The charity has also improved its approach to managing and forecasting cash flows into the future and taking appropriate action to collect debtors on time.

Whilst reserves are designed for situations like this, the operating climate remains uncertain and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years.

Further details on the going concern basis of preparation are set out in note 1 (b). On this basis, the Trustees are of the view that the charity will remain a going concern for a period of at least 12 months from the date of the approval of these financial statements, which should therefore be prepared on that basis. Given the current position this decision will remain under review regularly during the year until operating surpluses are being delivered on a sustainable basis.

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985. Volunteering Matters is also registered as a charity in Scotland.

Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Council of Management of Volunteering Matters (the Council) comprises the charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Council also has responsibility for the control and monitoring of the application of these policies. All the members of the Council are statutory directors and charity Trustees.

Volunteering Matters' will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills. All trustees have the opportunity to attend a half-day induction session that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Brand, reputation and results
- Programmes, projects and operations
- Documentation and resources

In addition, they are issued with the NCVO handbook for trustees.

In terms of training, trustees are given every opportunity to attend appropriate development sessions organised by charity accountants, solicitors, NCVO, NPC and other Organisations.

All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and projects local to that area.

The following Council committees meet regularly:

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

- The Finance and Investment Committee was renamed the Finance and Audit Committee in April 2021. The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy. The Finance and Audit Committee also receive the report from the external auditors, review and respond to the findings and recommendations and then monitor the implementation of agreed actions to address issues raised.
- The Enterprise Committee was formed in April 2021. The committee is responsible for providing additional support to the commercial and entrepreneurial directorate of Volunteering Matters which currently includes our Employee Volunteering service, and Get The Gen consultancy services.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Council to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Council for all aspects of performance. The Executive Leadership Team comprises the Chief Executive, Director of Volunteering Delivery, Director of Business Development and Impact, Director of Enterprise, Head of Corporate Services and Head of Inclusion and Communities. Key management personnel comprise the Trustees and the Executive Leadership Team.

Remuneration policy

The pay structure in Volunteering Matters is regularly benchmarked against equivalent external roles in our sector. Human Resources monitor our pay and reward strategy, remuneration reviews and all related policies. The Organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Post Balance Sheet Event

Post year end the activities of PS Enterprises Limited have been transferred to the parent charity as part of a group reconstruction. As a consequence all contractual and balance sheet assets and commitments have been transferred to Volunteering Matters.

Statement of Council's Responsibilities

The Council (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Council 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 company for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;

Volunteering Matters
For the year ended 31 March 2023
Trustee's Annual Report

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume the group and charitable company will continue in operation. Details of the going concern basis of preparation is disclosed in note 1b to the accounts.

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

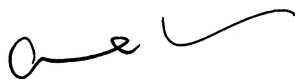
Insofar as the Council are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- Council members have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

Auditors

Saffery LLP are our appointed auditors and have indicated their willingness to continue in that capacity.

The report of the trustees, which includes the strategic report, has been approved by the Council and signed on their behalf by:



Anne Heal

Chair of Council

Date: 10 May 2024

Volunteering Matters

For the year ended 31 March 2023

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

Opinion

We have audited the financial statements of Volunteering Matters (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the Volunteering Matters statement of financial activities, the consolidated balance sheet, the Volunteering Matters balance sheet, the consolidated cashflow, the Volunteering Matters cashflow 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 affairs of the group and the parent charitable company as at 31 March 2023 and of the group's and parent charity's 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 (as 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

We draw attention to note 1 (b) within the financial statements, which indicates that the Group and Company reported net operating expenditure excluding exceptional items for the year to 31 March 2023 of £593k (2022: £319k) and £582k (2022: £349k) respectively, and the company is expecting to report a further operating deficit in financial year 2023/24, resulting in an increase in negative free reserves as at 31 March 2024. The charitable company is awaiting, at the date of approval of the accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The Trustees are also seeking bank funding solutions on a term basis which are ongoing at the date of approval. The Trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to deliver future operating surpluses and to match available resources, given the likely range of outcomes. These events or conditions along with other matters as set forth in Note 1 (b), indicate that material uncertainties exist which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Volunteering Matters

For the year ended 31 March 2023

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Volunteering Matters

For the year ended 31 March 2023

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent 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 auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Volunteering Matters

For the year ended 31 March 2023

Independent Auditor's Report to the Members and Trustees of Volunteering Matters

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Volunteering Matters
For the year ended 31 March 2023
Independent Auditor's Report to the Members and Trustees of Volunteering Matters

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent 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 parent charitable company's members and trustees 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 parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery LLP

	Edinburgh Quay
	133 Fountainbridge
Chartered Accountants	Edinburgh
Statutory Auditors	EH3 9BA
Date: 10 May 2024	

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Volunteering Matters

Consolidated Statement of Financial Activities For the year ended 31 March 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Income from:					
Donations and legacies	2	676	641	1,317	86
Charitable activities	3	732	5,551	6,283	7,319
Other Income	4	-	-	-	54
Total income		1,408	6,192	7,600	7,459
Expenditure on:					
Raising funds	5	263	-	263	258
Charitable activities	5	1,629	6,301	7,930	7,520
Exceptional item - effect of pension settlement	5, 17	6,418	-	6,418	-
Total expenditure		8,310	6,301	14,611	7,778
Operating deficit (excluding exceptional item)		(484)	(109)	(593)	(319)
Net (expenditure) / income		(6,902)	(109)	(7,011)	(319)
Other recognised gains/(losses):					
Exceptional item - Actuarial gain on defined benefit pension schemes	17	15,349	-	15,349	3,490
		15,349	-	15,349	3,490
Net movement in funds		8,447	(109)	8,338	3,171
Total funds brought forward	13	(7,586)	260	(7,326)	(10,497)
Total funds carried forward	13	861	151	1,012	(7,326)

There were no recognised gains or losses other than those stated above.

All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

Volunteering Matters

Volunteering Matters Statement of Financial Activities For the year ended 31 March 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Income from:					
Donations and legacies	2	676	641	1,317	86
Charitable activities	3	610	5,551	6,161	7,193
Other income	4	-	-	-	54
Total income		1,286	6,192	7,478	7,333
Expenditure on:					
Raising funds	5	263	-	263	258
Charitable activities	5	1,496	6,301	7,797	7,424
Exceptional item - effect of pension settlement	5, 17	6,418	-	6,418	-
Total expenditure		8,177	6,301	14,478	7,682
Operating deficit (excluding exceptional item)		(473)	(109)	(582)	(349)
Net (expenditure) / income		(6,891)	(109)	(7,000)	(349)
Other recognised gains/(losses):					
Exceptional item - Actuarial gain on defined benefit pension schemes	17	15,349	-	15,349	3,490
		15,349	-	15,349	3,490
Net movement in funds		8,458	(109)	8,349	3,141
Total funds brought forward	13	(7,586)	230	(7,356)	(10,497)
Total funds carried forward	13	872	121	993	(7,356)

There were no recognised gains or losses other than those stated above.

All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

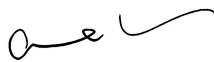
Volunteering Matters

Consolidated Balance Sheet For the year ended 31 March 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets					
Fixed assets	9		<u>1,324</u>		<u>1,278</u>
			1,324		1,278
Current assets					
Debtors	11	666		1,396	
Cash at bank		<u>501</u>		<u>916</u>	
		1,167		2,312	
Creditors: amounts falling due within one year	12	<u>(1,479)</u>		<u>(1,985)</u>	
Net current assets excluding pension liability			<u>(312)</u>		<u>327</u>
Defined benefit pension scheme liability	17		-		(8,931)
Total net liabilities			<u>1,012</u>		<u>(7,326)</u>
Funds					
Unrestricted funds	13		861		1,345
Restricted funds	13		151		260
Pension reserve	13		<u>-</u>		<u>(8,931)</u>
			<u>1,012</u>		<u>(7,326)</u>

The notes form part of these financial statements.

The financial statements were approved by the trustees on 10 May 2024 and are signed on their behalf by:



Anne Heal, Chair & Council Member
Trustee



Simon Judge
Chair of the Finance & Audit Committee

Company Registration No. 1435877

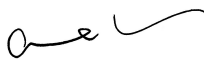
Volunteering Matters

Volunteering Matters Balance Sheet For the year ended 31 March 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets					
Fixed assets	9		<u>1,324</u>		<u>1,278</u>
			1,324		1,278
Current assets					
Debtors	11	666		1,368	
Cash at bank		<u>440</u>		<u>886</u>	
		1,106		2,254	
Creditors: amounts falling due within one year	12	<u>(1,437)</u>		<u>(1,957)</u>	
Net current assets excluding pension liability			<u>(331)</u>		<u>297</u>
Defined benefit pension scheme liability	17		-		(8,931)
Total net liabilities			<u>993</u>		<u>(7,356)</u>
Funds					
Unrestricted funds	13		872		1,345
Restricted funds	13		121		230
Pension reserve	13		<u>-</u>		<u>(8,931)</u>
			<u>993</u>		<u>(7,356)</u>

The notes form part of these financial statements.

The financial statements were approved by the trustees on 10 May 2024 and are signed on their behalf by:



Anne Heal, Chair & Council Member
Trustee



Simon Judge
Chair of the Finance & Audit Committee

Company Registration No. 1435877

Volunteering Matters

Consolidated Statement of Cash Flows For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Reconciliation of Cashflows from Operating Activities			
Net expenditure		(7,011)	(319)
Depreciation charges	9	90	51
Pension cost adjustment - exceptional		6,418	156
Decrease/(increase) in debtors	11	730	(89)
(Decrease)/increase in creditors	12	(505)	816
Cash flows from operating activities		<u>(278)</u>	<u>615</u>
Cash flows from investing activities			
Purchase of fixed assets	9	(137)	(84)
Net cash used in investing activities		<u>(137)</u>	<u>(84)</u>
Change in cash and cash equivalents in the period		(415)	531
Cash and cash equivalent brought forward		916	385
Cash and cash equivalents carried forward		<u>501</u>	<u>916</u>
Reconciliation of Net Cash			
	31 March 2022		31 March 2023
	Brought forward	Cashflow	Carried forward
	£'000	£'000	£'000
Cash at bank	<u>916</u>	<u>(415)</u>	<u>501</u>

Volunteering Matters

Volunteering Matters Statement of Cash Flows For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Reconciliation of Cashflows from Operating Activities			
Net expenditure		(7,000)	(349)
Depreciation charges	9	90	51
Pension cost adjustment - exceptional		6,418	156
Decrease/(increase) in debtors	11	702	(61)
(Decrease)/increase in debtors	12	(519)	788
Cash flows from operating activities		<u>(309)</u>	<u>585</u>
Cash flows from investing activities			
Purchase of fixed assets	9	(137)	(84)
Net cash used in investing activities		<u>(137)</u>	<u>(84)</u>
Change in cash and cash equivalents in the period		(446)	501
Cash and cash equivalent brought forward		886	385
Cash and cash equivalents carried forward		<u>440</u>	<u>886</u>
Reconciliation of Net Cash			
	31 March 2022		31 March 2023
	Brought forward	Cashflow	Carried forward
	£'000	£'000	£'000
Cash at bank	<u>886</u>	<u>(446)</u>	<u>440</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

1. Accounting policies

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England, Wales and Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD.

a) Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules and on the going concern basis.

Company status

The Charity is a private company limited by guarantee. The members of the Charity are the Board of Trustees as detailed on page 2. The charity is incorporated in England and Wales and Scotland and registration numbers are detailed on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertaking, PS Enterprises Limited. The subsidiary has been fully consolidated on a line by line basis in accordance with FRS 102 from the date it became part of the Group.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Charity's financial statements, the investment in its subsidiaries are stated at cost or book value.

b) Going concern

As noted within subsequent events, the directors resolved to hive up the trade and assets of the charitable activities within PS Enterprises Limited to the charity.

The directors have consequently reviewed the going concern status of the company at the date of approval of the 2023 Group and company financial statements.

The directors consider the company to be a going concern and the financial statements have been prepared on that basis.

At the balance sheet date, the charitable company had total funds of £993k (2022: deficit of £7.3m) with the prior year reflective of the accounting requirements for defined benefit pension scheme arrangements under the requirements of the charities SORP. During FY 2023 the company exited from membership of the defined benefit scheme with the exceptional movement in funds noted in the company and group statement of financial activities. The group reported a deficit on free reserves of £463k at the balance sheet date (after deducting fixed assets from unrestricted funds) and the Trustees expect to report further operating deficits and increased negative free reserves as at 31 March 2024.

The charitable company relies on bank funder support, grants and contract income from outside sources, the generation of future operating surpluses and sufficient ongoing operating cashflow to finance ordinary activities. The charitable company currently meets its day to day working capital requirements through available cash resources, including receipts from future project income and overdraft facilities to ensure that the company continues to meet obligations when they fall due.

The directors are currently exploring further bank finance on a term basis to remove its cashflow reliance on future contract income.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

Going concern (continued)

The Trustees, mindful of economic headwinds, have taken steps to reduce operating costs to lower levels. The charity continues to seek the necessary contract and funding agreement renewals and new business conversion. As is common with many charitable organisations with income from contracts and other funding agreements, at the date of approval of the accounts, the charitable company is awaiting the outcome of a number of funding applications for both renewal and new business contracts. These remain uncertain at the date of approval. The forthcoming budget is built on a prudent view of these anticipated outcomes. The Trustees continue to undertake a review of operations to ensure the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes.

Against this background, the Trustees have considered and approved management prepared financial operating projections for the period to 30 April 2025 which include assumptions for funder support and anticipated costs and income which the Trustees consider to be reasonable and prudent. In arriving at these assumptions the Trustees accept that adequate funder support, contract income to forecast levels and anticipated costs to enable the company to commence addressing past deficits are material uncertainties to the going concern basis of preparation at the date of approval of the financial statements.

However, having considered the matters above, the Trustees are of the view that, at the date of approval of the financial statements, the charitable group and company has sufficient reserves and other resources to continue to operate and meet debts as they fall due for the foreseeable future. Therefore, the financial statements have been drawn up on a going concern basis.

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured.

Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However the value of volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

e) Resources expended

Resources expended are recognised on the accrual basis in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to phasing funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

Volunteering Matters

Notes to the financial statements

For the year ended 31 March 2023

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Freehold property	2% straight line and 10% straight line
Leasehold property	Over the period of the lease
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

The charity also provided retirement benefits to past and certain current employees through the Local Government Pension Scheme ('LGPS') operated by the London Borough of Islington. This is a defined benefit scheme which closed to new members on 3 April 2009 and to future accrual on 4 May 2015.

The LGPS is a funded scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the Statement of Financial Activities are the current service costs and the costs of scheme benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

Actuarial gains and losses are recognised within the Statement of Financial Activities within Other recognised gains and losses.

The charity ceased participation in the pension scheme in February 2023 as detailed in note 17.

i) Provisions

Dilapidations are valued using a management estimate of the cost to the charity of works required to repair each property to the required condition at the end of the respective leases.

j) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

k) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial assets include debtor balances except prepayments as shown at Note 11 to the financial statements. Financial liabilities refers to all creditor balances including deferred income, tax and social security as shown at Note 12 to the financial statements.

l) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations. The prior year key area of estimation and judgement is the discount rate used by the actuary in determining our prior year pension liabilities as reported in Note 17 to these Financial Statements.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

2. Donations and legacies

Group	2023	2023	2023	2022
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Individual and company donations	132	341	473	20
Trusts and foundations	544	300	844	66
	<u>676</u>	<u>641</u>	<u>1,317</u>	<u>86</u>

Company	2023	2023	2023	2022
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Individual and company donations	132	341	473	20
Trusts and foundations	544	300	844	66
	<u>676</u>	<u>641</u>	<u>1,317</u>	<u>86</u>

3. Incoming resources from charitable activities

Group	2023	2023	2023	2022
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	563	248	811	1,047
Central Government	-	1,646	1,646	1,138
Local Government	-	1,721	1,721	2,412
European funding	-	3	3	209
Trusts and Foundations (grants)	67	454	521	537
Corporate	(32)	1,233	1,201	1,191
Other public sector	134	246	380	785
	<u>732</u>	<u>5,551</u>	<u>6,283</u>	<u>7,319</u>

Company

The income of the charitable company is £6,161,000, which is as detailed above excluding £122,000 generated by the subsidiary company and other group adjustments.

Group	2022	2022	2022
	Unrestricted £'000	Restricted £'000	Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	713	334	1,047
Central Government	-	1,138	1,138
Local Government	5	2,407	2,412
European funding	-	209	209
Trusts and Foundations (grants)	41	496	537
Employee Volunteering	76	1,115	1,191
Other public sector	(57)	842	785
	<u>778</u>	<u>6,541</u>	<u>7,319</u>

Company

The income of the charitable company is £7,193,000, which is as detailed above excluding £172,000 generated by the subsidiary company and other group adjustments.

4. Incoming resources from property and other income

Group and company	2023	2023	2023
	Unrestricted £'000	Restricted £'000	Total £'000
Furlough income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

Incoming resources from property and other income for the prior year				2022	2022	2022
				Unrestricted	Restricted	Total
				£'000	£'000	£'000
Property Income				1	-	1
Furlough Income				14	39	53
				<u>15</u>	<u>39</u>	<u>54</u>
5. Total resources expended						
	Staff costs (Note 8)	Other direct costs	Support costs	Cost allocation	Total 2023	Total 2022
Group	£'000	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	180	45	38	-	263	258
Charitable activities - investing in volunteering	182	1,496	932	(981)	1,629	963
Exceptional item	6,418	-	-	-	6,418	-
Unrestricted expenditure	6,780	1,541	970	(981)	8,310	1,221
Charitable activities	5,181	21	118	981	6,301	6,557
Total resources expended	<u>11,961</u>	<u>1,562</u>	<u>1,088</u>	<u>-</u>	<u>14,611</u>	<u>7,778</u>

Restricted costs are made up of delivery project costs. Unrestricted costs are made up of central staff costs and unrestricted project costs. Support costs comprise of operational costs, IT and other administrative costs. The total governance cost includes a proportion of support costs.

Cost allocations reflect core project costs of £796,000 and £185,000 of central management costs incurred on restricted income projects in the year.

Exceptional item - the charity exited the defined benefit pension scheme during the year and an exceptional accounting charge under FRS 102 arose.

	Staff costs (Note 8)	Other direct costs	Support costs	Cost allocation	Total 2023	Total 2022
Charity	£'000	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	180	45	38	-	263	258
Charitable activities - investing in volunteering	98	1,496	883	(981)	1,496	963
Exceptional item	6,418	-	-	-	6,418	-
Unrestricted expenditure	6,696	1,541	921	(981)	8,177	1,221
Charitable activities	5,181	21	118	981	6,301	6,461
Total resources expended	<u>11,877</u>	<u>1,562</u>	<u>1,039</u>	<u>-</u>	<u>14,478</u>	<u>7,682</u>

The expenditure of the charitable company is £14,478,000, which is as detailed above, excluding £133,000 expended by the subsidiary company and other group adjustments.

Exceptional item - the charity exited the defined benefit pension scheme during the year and an exceptional accounting charge under FRS 102 arose.

Cost allocations reflect core project costs of £796,000 and £185,000 of central management costs incurred on restricted income projects in the year.

Total resources expended for the prior year

	Staff costs (Note 8)	Other direct costs	Support costs	Total 2022
	£'000	£'000	£'000	£'000
Cost of raising funds	242	3	13	258
Charitable activities - investing in volunteering	4,911	1,723	886	7,520
Total resources expended	<u>5,153</u>	<u>1,726</u>	<u>899</u>	<u>7,778</u>

Company

The comparable expenditure of the charitable company is £7,682,000, which is as detailed above excluding £96,000 expended by the subsidiary company and other group adjustments.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

6. Grants paid

	2023 £'000	2022 £'000
Action Earth Community based projects paid to organisations	32	48
	<u>32</u>	<u>48</u>
Grants paid to organisations during the year were paid as follows:		
Number of individual grants less than £2,000	145	175
	<u>145</u>	<u>175</u>

7. Net income/(expenditure) for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	90	51
Auditors' remuneration (see below):	30	28
Operating lease rentals: Property	71	66

During the period 3 Council members (2022: 5) received reimbursement for travel & subsistence expenses totalling £3,182 (2022: £1,283). No remuneration nor payment for services was paid to any member of the Council (2022: none).

	2023 £'000	2022 £'000
Auditors' remuneration (excluding VAT)		
External audit	30	28
Non audit services	5	5
	<u>35</u>	<u>33</u>

8. Staff numbers and costs

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Wages and salaries	4,868	4,793	4,376	4,343
Redundancy/Compensation costs	-	-	24	24
Social security costs	488	480	392	389
Defined contribution pension scheme costs	187	185	106	105
Defined benefit pension scheme adjustment- exceptional (note 17)	6,418	6,418	256	256
	<u>11,961</u>	<u>11,876</u>	<u>5,154</u>	<u>5,117</u>

Redundancy costs reflect the actual or anticipated costs of contractual payments due as a result of management decisions taken during the year. Redundancy costs are funded from project funds / the charity's own resources as appropriate on a case by case basis.

	2023 No.	2022 No.
Number of staff earning more than £60,000 in the accounting year:		
Number of employees receiving £90,001- £100,000	1	1
Number of employees receiving £70,001- £80,000	1	-
Number of employees receiving £60,000- £70,000	2	1
	<u>4</u>	<u>2</u>

The total earnings, including pensions of the charity's key management personnel was £364,242 (2022: £417,911).

The average monthly number of employees, expressed as head count and as full time equivalents, during the period was:

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

Staff numbers and costs (continued)	Head count		Full time equivalents	
	2023 No.	2022 No.	2023 No.	2022 No.
Charitable activities	183	174	112	136
Fundraising	13	13	13	13
Governance	1	1	1	1
	<u>197</u>	<u>188</u>	<u>126</u>	<u>150</u>

9. Tangible fixed assets - Charity and group

	Freehold & long leasehold properties	Plant and equipment	Motor vehicles	Total 2023
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	1,611	393	-	2,004
Additions	-	30	107	137
Disposals/write offs	-	-	-	-
At 31 March 2023	<u>1,611</u>	<u>423</u>	<u>107</u>	<u>2,141</u>
Depreciation				
At 1 April 2022	448	278	-	726
Charge for the period	47	43	-	90
Disposals/write offs	-	-	-	-
At 31 March 2023	<u>495</u>	<u>322</u>	<u>-</u>	<u>816</u>
Net book value				
At 31 March 2023	<u>1,116</u>	<u>100</u>	<u>106</u>	<u>1,324</u>
At 31 March 2022	<u>1,163</u>	<u>115</u>	<u>-</u>	<u>1,278</u>

10. Investments

	2023 Group £'000	2023 Charity £'000	2022 Charity £'000
Investments in subsidiary undertakings	-	-	-

Volunteering Matters acquired PS Enterprises Limited, registered in Scotland, on 1 April 2021, following the acquisition of the assets and liabilities of its previous parent entity Project Scotland. PS Enterprises Limited generated a loss of £8,367 for the period to 31 March 2023 and had closing capital and reserves of £21,443.

Financial results for PS Enterprises Limited have been disclosed in note 21. PS Enterprises Limited, a wholly owned subsidiary, is a company which operates to train and event management in support of Project Scotland.

11. Debtors

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Trade debtors	435	409	1,001	973
Accrued income	189	189	395	395
Prepayments	40	40	-	-
Other debtors	10	-	-	-
Staff floats	5	5	-	-
Staff loans	2	2	-	-
Due from PSEL	-	36	-	-
VAT receivable	(15)	(15)	-	-
	<u>666</u>	<u>666</u>	<u>1,396</u>	<u>1,368</u>

Volunteering Matters pursues an active debt recovery process and the majority of trade debtors and accrued income was received before the signing of the accounts.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

12. Creditors: amounts falling due within 1 year

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Trade creditors	140	102	542	537
Social security and other taxes	98	94	62	57
Accruals and other creditors	134	134	425	420
Deferred income (see below)	1,081	1,081	956	943
Pension	26	26	-	-
	<u>1,479</u>	<u>1,437</u>	<u>1,985</u>	<u>1,957</u>
<u>Deferred income</u>				
Balance b/f	943	943	864	864
Amount released to incoming resources	(943)	(943)	(864)	(864)
Amount deferred in the period	<u>1,081</u>	<u>1,081</u>	<u>956</u>	<u>943</u>
Balance c/f	<u>1,081</u>	<u>1,081</u>	<u>956</u>	<u>943</u>

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income.

Volunteering Matters

Notes to the financial statements
For the year ended 31 March 2023

13. Statement of movement of funds - Group

	31 March 2022					31 March 2023
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/(losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,278	136	(90)	-	-	1,324
General fund	67	1,272	(1,802)	-	-	(463)
Total unrestricted fund before pension deficit	1,345	1,408	(1,892)	-	-	861
Less pension deficit	(8,931)	-	(6,418)	-	15,349	-
Restricted funds	260	6,192	(6,301)	-	-	151
Total funds	(7,326)	7,600	(14,611)	-	15,349	1,012

Statement of funds - Charity

	31 March 2022					31 March 2023
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/(losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,278	136	(90)	-	-	1,324
General fund	67	1,150	(1,669)	-	-	(452)
Total unrestricted fund before pension deficit	1,345	1,286	(1,759)	-	-	872
Less pension deficit	(8,931)	-	(6,418)	-	15,349	-
Restricted funds	230	6,192	(6,301)	-	-	121
Total funds	(7,356)	7,478	(14,478)	-	15,349	993

Unrestricted designated and general expenditure relates mainly to non-project costs.

Group and company restricted funds represent balances in respect of many on-going projects where funds have been applied, having been restricted by the terms of the funding agreements. Significant restricted funds received and incurred in the year included:

Volunteering Matters

Notes to the financial statements

For the year ended 31 March 2023

Material restricted funds

Team Young Ambassadors - £271K

Young people with special educational needs or who have been excluded from mainstream education from across London helping others and influencing social changes by delivering social action projects in the communities they live in across the Capital.

IWill project - £360K

#iwill is a movement that empowers 10–25-year-old to make a positive difference on the issues that affect their lives, communities and society.

MK Stepping Stones - £79K

Trained mentors supporting young people who have spent time as inpatients at a local NHS Mental Health Trust to continue their recovery in the community.

UK Year of service - £473K

A UK wider programme that provided funding to VM to employ young people (aged 18-15) to work at VM for 12 months to support front line projects, young people were involved in supporting adults with learning difficulties to live independently in Norfolk, to recruit young mentors in Scotland and support older people to live independent lives in Brighton.

Peer Action Collective - £198K

Peer researchers (young people) carried out research in schools and community settings across the East of England, the research focused on serious youth violence and young people's experience of trauma. The research was followed by youth social action activities - young people supporting other young people to develop new skills and enjoy positive life experiences.

RCT 360 - £319K & Newport 360 - £205K

Both projects were pilots funded by the UK Government as part of the 'Levelling Up' agenda. The primary focus was on skills development and increasing employability options for people furthest from the job market. The delivery of this work included skills swap sessions lead by volunteers, mentoring and supporting and targets training for employers in Wales provided by GettheGen.

VsF Waltham Forest - £90K , VsF Greenwich - £87K, VsF Edinburgh - £99K & VsF Scotand - £84K

Volunteers Supporting Families (VsF) provides 1;1 support for families referred to VM via Local Authorities. The Families supported are either 'in crisis' and are being closely supervised by the local authority or they have been identified as being 'in need' and may need short term support to help them through a challenging period.

The support is provided by trained volunteers, who are supported by VM staff members.

Match and Mentor - £175K

Volunteers support adults with learning difficulties to live independent lives, support is provided 1:1 and via group sessions.

Full Time Volunteering - £97K

Volunteers support adults with physical and/or learning difficulties to live independent lives. The support is provided in the home, full time (30 hours per week) for up to a year.

Newcastle Volunteer Development - £190K

Volunteering Matters manages the Volunteer Centre in Newcastle, this involves signposting members of the community in Newcastle with 200 plus volunteering opportunities across the City. VM has also developed a Volunteer Passport scheme, which recruits and trains volunteers to volunteer in a range of social care charities across the city.

Grandmentors Suffolk - £76K

Volunteers aged 50 plus are matched as mentors with young people aged 16 plus who are leaving the care system. Grandmentors (volunteers) support young people with the transition to independent living by providing mentoring support. The mentoring is focused on health and wellbeing, housing, education and employed.

Volunteering Works programmes - £600K (Collectively)

Volunteering Works provides a service to 30 plus corporate clients providing community voluntary opportunities for their workforce, this service is provided via team days and ongoing regular opportunities.

ProjectScotland Edinburgh - £77K

Providing mentoring and job coach support to working age adults in Edinburgh who have been unemployed for a long time.

YPG Glasgow - £95K

Providing mentoring and job coach support to young people who are not in Education, Training or Employment

Youth VIP - £150K

Building capacity and knowledge for charities across Scotland to offer volunteering opportunities to young people, this is achieved through lobbying national government, 1:1 Support for charity leaders and a variety of training and development opportunities.

Welcome Friends - £76K

Adult volunteers (aged 18 plus) befriending isolated older people via 1;1 home visit, telephone befriending and by organising group activities and luncheon clubs.

MK Volunteer Driver Service - £121K

Volunteer drivers taking isolated older people to medical appointments, this includes local GP appointments and long-distance hospital appoints. The service also involves volunteer drivers taking children and young people to family contact appointments.

Connect and Go - £237K

Volunteer drivers take isolated members of the communities to appointments and social events across Warwickshire. The beneficiaries of this projects includes refugees and asylum seekers, care experiences young people and older people.

Lifelines - £85K

Volunteers aged 50 plus organise group activities for older people living in sheltered housing schemes to enjoy, examples include creative writing, seated exercise classes and bingo.

Volunteering Matters

Notes to the financial statements
For the year ended 31 March 2023

14. Statement of movement of funds for prior year - group

	31 March 2021					31 March 2022
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund before pension deficit	1,597	813	(1,065)	-	-	1,345
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,646	(6,557)	-	-	260
Total funds	(10,497)	7,459	(7,778)	-	3,490	(7,326)

	31 March 2021					31 March 2022
Statement of funds - Charity	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
<u>Unrestricted funds:</u>						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund before pension deficit	1,597	813	(1,065)	-	-	1,345
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,520	(6,461)	-	-	230
Total funds	(10,497)	7,333	(7,682)	-	3,490	(7,356)

Volunteering Matters

Notes to the financial statements

For the year ended 31 March 2023

15. Analysis of net assets - Group	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,324	1,324
Net Current Assets	151	(463)	(312)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets/(liabilities) at the period end	<u>151</u>	<u>861</u>	<u>1,012</u>

Analysis of net assets of the group for the prior year

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,278	1,278
Net Current Assets	260	67	327
Provisions, long-term liabilities and pension liabilities	-	(8,931)	(8,931)
Net assets/(liabilities) at the period end	<u>260</u>	<u>(7,586)</u>	<u>(7,326)</u>

Analysis of net assets - Company

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,324	1,324
Net Current Assets	121	(452)	(331)
Provisions, long-term liabilities and pension liabilities	-	-	-
Net assets/(liabilities) at the period end	<u>121</u>	<u>872</u>	<u>993</u>

Analysis of net assets of the company for the prior year

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,278	1,278
Net Current Assets	230	67	297
Provisions, long-term liabilities and pension liabilities	-	(8,931)	(8,931)
Net assets/(liabilities) at the period end	<u>230</u>	<u>(7,586)</u>	<u>(7,356)</u>

16. Operating lease commitments

The charity 's future minimum operating leases payments are as follows:

	2023 Land and buildings £'000	2022 Land and buildings £'000
Not later than one year	44	46
Later than one year but not later than five years	-	-
	<u>44</u>	<u>46</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

17. Pension contributions and commitments - group and company

Volunteering Matters is a member of the London Borough of Islington defined benefit pension scheme and also participates in the Pensions Trust's Flexible Retirement defined contribution scheme.

Employer contributions of £Nil (2022: £100k) were made to the London Borough of Islington defined benefit pension scheme in the year. No contractual payments are due for the year ending 31 March 2023.

The disclosures set out below are based on the financial data supplied by Mercer, the Actuary to the London Borough of Islington. A triennial actuarial valuation of the Scheme was carried out at 31 March 2019 as updated for FRS 102 purposes each year. On 10 February 2023, the charity ceased participation in the defined benefit scheme, resulting in an exit valuation of £Nil at 31 March 2023. The final FRS 102 actuarial accounting requirements to cessation are disclosed below:

The major assumptions used for the valuation were:

	2023	2022
	%	%
Discount rate	4.6	2.8
Inflation (CPI)	2.5	3.4
Salary increases	4.0	4.9
Increases to pension in payment	2.6	3.5
Life expectancy current pensioner age 65 male	21.8	22.7
Life expectancy current pensioner age 65 female	24.1	25.3
Life expectancy pensioner age 65 male 20 years' time	23	24.1
Life expectancy pensioner age 65 female 20 years' time	<u>25.8</u>	<u>27.1</u>

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2023 were:

	2023	2022
	Value of assets £'000	Value of assets £'000
Equities	-	32,131
Other bonds	-	5,813
Property	-	8,878
Cash/liquidity	-	-
Other	-	6,024
Total fair value of assets	-	52,846
Present fair value of funded benefit obligations	-	(61,777)
Deficit	-	<u>(8,931)</u>
Components of pension cost	2023	2022
	£'000	£'000
Interest on pension liabilities	-	(1,290)
Interest on plan assets	207	1,034
Effect of settlements	6,211	-
Total pension cost charged to expenditure	<u>6,418</u>	<u>(256)</u>

Volunteering Matters

Notes to the financial statements

For the year ended 31 March 2023

17. Pension contributions and commitments (continued)

Change in benefit obligation	2023	2022
	£'000	£'000
Benefit obligation at beginning of year	(61,777)	(62,133)
Interest on pension liabilities	(1,423)	(1,290)
Actuarial gains	18,191	285
Benefits/transfers paid	1,085	1,361
Settlements	43,924	-
Benefit obligation at end of year	<u>-</u>	<u>(61,777)</u>
Change in plan assets	2023	2022
	£'000	£'000
Fair value of Scheme assets at beginning of year	52,846	49,868
Expected return on plan assets	1,216	1,034
Actuarial (losses)/gains	(2,842)	3,205
Employer contributions	-	100
Benefits/transfers paid	(1,085)	(1,361)
Settlements	(50,135)	-
Fair value of Scheme assets at end of year	<u>-</u>	<u>52,846</u>
Statement of actuarial gains/(losses)	2023	2022
	£'000	£'000
Change in benefit obligation	18,191	285
Change in plan assets	(2,842)	3,205
Net gain	<u>15,349</u>	<u>3,490</u>

18. Related parties

The Trustees received no emoluments in the period (2022: £nil).

The only related party transactions have been with the wholly owned subsidiary therefore are exempt from disclosure.

Volunteering Matters

Notes to the financial statements

For the year ended 31 March 2023

19. Statement of financial activities for the period ended 31 March 2022

Company	Unrestricted Funds £'000	Restricted Funds £'000	Total to 31 March 2022 £'000
Income and endowments			
Donations and legacies	20	66	86
Charitable activities	778	6,415	7,193
Property income	1	-	1
Other income	14	39	53
Total income and endowments	<u>813</u>	<u>6,520</u>	<u>7,333</u>
Expenditure on			
Raising funds	258	-	258
Charitable activities	963	6,461	7,424
Total expenditure	<u>1,221</u>	<u>6,461</u>	<u>7,682</u>
Net (expenditure)/income for the year	(408)	59	(349)
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	3,490	-	3,490
Net movement in funds	<u>3,490</u>	<u>0</u>	<u>3,490</u>
Reconciliation of funds	3,082	59	3,141
Total (deficit)/funds brought forward	(10,668)	171	(10,497)
Total (deficit)/funds carried forward	<u>(7,586)</u>	<u>230</u>	<u>(7,356)</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Total to 31 March 2022 £'000
Group			
Income and endowments			
Donations and legacies	20	66	86
Charitable activities	778	6,541	7,319
Property income	1	-	1
Other income	14	39	53
Total income and endowments	<u>813</u>	<u>6,646</u>	<u>7,459</u>
Expenditure on			
Raising funds	258	-	258
Charitable activities	963	6,557	7,520
Total expenditure	<u>1,221</u>	<u>6,557</u>	<u>7,778</u>
Net (expenditure)/income for the year	(408)	89	(319)
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	3,490	-	3,490
Net movement in funds	<u>3,490</u>	<u>0</u>	<u>3,490</u>
Reconciliation of funds	3,082	89	3,171
Total (deficit)/funds brought forward	(10,668)	171	(10,497)
Total (deficit)/funds carried forward	<u>(7,586)</u>	<u>260</u>	<u>(7,326)</u>

20. Contingent liability

As at the year end, the charity had no contingent liabilities (2022: £200,000 contingent obligation payable to the Charity's defined pension scheme in the event that the leasehold property was disposed of).

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2023

21. Subsidiary

PS Enterprises Limited - Gift of Share Capital

On 1 April 2021, Volunteering Matters acquired 100% of the ordinary share capital of PS Enterprises Limited. The share capital was gifted to Volunteering Matters as part of the acquisition of the assets and liabilities of Project Scotland. PS Enterprises Limited's principal activity is training and event management in support of its parent charity.

The summary financial performance of the subsidiary alone is:

	31 March 2023 £'000	31 March 2022 £'000
Current assets		
Debtors	37	47
Cash at bank and in hand	<u>62</u>	<u>31</u>
	<u>99</u>	<u>78</u>
Creditors: amounts falling due within one year	(42)	(28)
Net current assets	57	50
Creditors: amounts falling due after one year	(36)	(20)
Net assets	<u>21</u>	<u>30</u>
Capital and reserves		
Called up share capital	-	-
Profit and loss account	<u>21</u>	<u>30</u>
Equity shareholders' funds	<u>21</u>	<u>30</u>

22. Post Balance Sheet Events

Post year end the activities of PS Enterprises Limited have been transferred to the parent charity as part of a group reconstruction. As a consequence all contractual and balance sheet assets and commitments have been transferred to Volunteering Matters.

VOLUNTEERING MATTERS

England & Wales - Charity number 291222

Accounts

Company Registration No. 1435877
Charity Registration No. SC039171 (Scotland)
Charity Registration No. 291222 (England & Wales)

Volunteering Matters

**Annual report and financial statements
for the year ended 31 March 2022**

Volunteering Matters

Contents

	Page
About Us	3
Chair of Council Report	4
Chief Executive's Report	5
Report of the Trustees including the Strategic Report	6
Independent Auditor's Report to the Trustees	16
Consolidated Statement of Financial Activities	20
Volunteering matters Statement of Financial Activities	21
Consolidated Balance Sheet	22
Volunteering matters Balance Sheet	23
Consolidated Statement of Cash Flows	24
Volunteering matters Statement of Cash Flows	25
Notes to the Financial Statements	26

Volunteering Matters

About us

President	Lord Freud
Trustees	Anne Heal Andrew Hudson Simon Judge Julie Kirkbride Katrina Lambert Patrick Luong Sue Maskrey Zara Todd Martin Fleming (Appointed 1 April 2021) Craig Hamilton (Appointed 1 April 2021) Julie-Anne Jamieson (Appointed 1 April 2021) Pru Whitwell (Appointed 1 April 2021) Emmanuel Ayoola (Resigned 1 September 2022) Peter Bailey (Resigned 1 April 2021) Katerina Rudiger (Resigned 1 April 2021) David Wilkinson (Resigned 1 April 2021) Iona Wyn (Resigned 1 April 2021)
Company Registration No.	1435877
Charity Registration No.	SC039171 (Scotland)
Charity Registration No.	291222 (England & Wales)
Company Secretary	Paul Reddish
Principal Address	Volunteering Matters The Levy Centre 18-24 Lower Clapton Road London E5 0PD
Independent Auditor	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA

Volunteering Matters

Chair of Council Report

The last few years have brought many challenges for charities across the UK and I am proud to say that Volunteering Matters continue to draw on the resilience and creativity that we saw during Covid-19. Although we are seeing further headwinds in the form of the cost of living crisis and recession in the aftermath of the pandemic, the charity is continuing to adapt to these ongoing challenges.

The projects that were moved online through necessity during lockdown are still delivering fantastic outcomes for the people we support. Sometimes they have continued remotely but many have been able to go back to being held in-person, such as Sporting Chance. It is good to be able to work in a variety of ways to achieve the impact that is so important for the communities we work with.

The creative thinking of delivery staff has meant that completely different projects are being linked together to achieve our goals. For example, Volunteering Works (rebranded from Employee Volunteering in May 2022) have teamed up with our Wales-based projects which help people enter employment, education and training. Employee volunteers supported participants through online workshops, collaborating to meet the goals of both projects and achieve an effective outcome.

Following the merger between Volunteering Matters and Project Scotland in 2021, we continue to develop our family of brands, united in our shared goals, drive and passion and embracing both our similarities and differences to maximise our impact and support even more people.

The charity has continued to build Equality, Diversity and Inclusion into our everyday work. Training opportunities and weekly blogs are shared regularly, with this work ongoing. Ever more staff members and volunteers are actively engaging in EDI conversations, and we have grown the reach of our programmes by ensuring we are inclusive and listening and responding to the voices of the people we work with and their community.

A focus on showcasing our impact has continued, with project staff empowered to create their own impact reports, enabling us to demonstrate clearly exactly what we have achieved.

I would like to thank everyone at Volunteering Matters, both staff and volunteers, for everything they have done in another challenging year, but one where we have continued to make a real difference in the communities we support and serve. My thanks also go to our Trustees, and to our President, Lord Freud.



Anne Heal
Chair of Trustees
10 February 2023

Volunteering Matters

Chief Executive's Report

If I've learnt anything over the past 12 months, it's that there are only two certainties. The first is that we simply cannot predict what's going to be just around the corner, and what our response as a sector might need to be as a result in that.

Our mission to stand alongside people and support them, through their volunteering, to help solve some of society's long standing problems, remains steadfast. How we do that is in a constant state of flux, as we tackle one emergency after another. From COVID, to the war on Ukraine and rising numbers of refugees seeking asylum due to the dire situation in other countries around the world, to support for a strained health service, the needs in so many settings continue to grow – and the role of those willing to give up their time to support these growing crises also grows as statutory services struggle to respond.

I am incredibly proud of the team of staff and volunteers who have embraced all of these challenges, on top of delivering the more long term systemic programmes, such as support for young people leaving care, working with families in crisis and ensuring our older people have a purpose and friendships within communities.

One of the things I've been so inspired by since starting this role is the ability of our people to innovate, be proactive and find ways of supporting people that reflect the conditions in front of them. COVID tested our ability to do this, and the team connected with Volunteering Matters passed that test with flying colours. We know that such learning will serve us well as we move into a new phase of challenges to overcome as a country.

As we grapple all of this with the added complication of sharp rises in inflation and pressure on public spending, the charity sector is entering a perfect storm of increased need and reduced public funding. The support of communities and volunteers to get us through these challenging times will be needed more than ever. We will do all we can to stand alongside those who wish to support us in these times.

A huge thank you to all the staff and volunteers who continue to put so much time and energy into selflessly supporting those around them. The second certainty we all have in this is that whatever this country faces next, you will be hugely important in making the lives of those impacted that little bit better.



Paul Reddish
Chief Executive

10 February 2023

Volunteering Matters

Trustees' Report

We are pleased to present our Trustees report including the Strategic Report for the year ended 31st March 2022.

Our Aims and Objectives

At Volunteering Matters, we bring people together to overcome some of society's most complex issues through the power of volunteering. This builds stronger communities and enables everyone to thrive.

We work with local partners, turning local knowledge and energy into action and progress.

We work with volunteers to make a real difference on the issues they care about, from immediate responses to fostering long term change. We enable volunteers to use their local knowledge and life experiences and collectively we tackle complex issues.

In line with our overall strategy our projects support one or more of these areas:

- Reducing social isolation and loneliness
- Improving mental and physical health
- Building skills, confidence and opportunity
- Ensuring young people can lead change

Project Scotland formally became part of Volunteering Matters, by acquisition, in April 2021 and the work of this organisation continues as before.

Our Impact

In 2021-22 we focussed on embedding Impact culture across the organisation, using the skills within the core of the organisation to devolve impact into the hands of those that know it best - our volunteers and delivery teams. This has seen a number of place-based impact reports produced for projects that range greatly in their size, scope, issues and geographies. Alongside this we have been able to again produce an overarching organisational Impact Report, highlights from which are detailed below.

We have continued to build our Impact infrastructure, building and implementing our Impact Tracker across our mentoring services, which has helped see those grow over the financial year.

As part of the co-ordination of the #iwill Movement, we have supported young people to build their nationwide Evidence and Insights picture into the value of Youth Social Action across the UK. This has seen #iwill become part of the National Youth Guarantee for the UK Government.

Key Statistics

- Across England, Scotland and Wales, 9,412 volunteers supported 22,634 people.
- Our volunteers led change in over 50 local communities, building on strong local partnerships.
- 474 volunteers from our Retired and Senior Volunteers Programme supported 3,933 people.
- 6,345 young people benefitted from the support of volunteers through our award-winning mentoring and befriending projects. Our volunteers consistently helped young people transform their lives – leading their own change.

Our Place-based approach

At Volunteering Matters, we believe that communities have the power, knowledge and energy to improve themselves from within and that we are most effective when we work with people, not on their behalf – and we achieve this with local partners. Examples of the place-based approach are highlighted below.

Volunteering Matters

Trustees' Report

In Suffolk, our Youth Social Action (YSA) team, at Volunteering Matters continued to work with over 20 schools and colleges across the whole of the county. The 12-week Young Ambassador programme funded by Suffolk County Council has witnessed the social mobility of over 300 young people aged 10 to 19, leading their own youth social action programmes and “giving students a lot of confidence on how to be a good leader and how to really make a difference in their school or community” – Inclusion Manager, at local primary school. In July 2022, our YSA group “I RISE” which includes 10 young people aged 17-20, organised and led a Youth Conference at Suffolk University. Young people from across Suffolk were invited to not only showcase their YSA programme but to also attend various workshops on the themes presented by I RISE and ongoing youth consultations. Workshops included various subjects such as Activism, strive not Survive, Unconscious Bias and Health and well-being. By the end of the conference, all young people were faced with the challenging task of distributing their funding across the workshop topics which they believe need to be practical and easily accessible to other young people.

Through Project Scotland, young people across Scotland are supported to ‘get on in life’ through volunteering. We are passionate about empowering young people to develop their skills, confidence and aspirations through volunteering in their local communities, enabling them to move into employment, education, training or to achieve wider life goals. Through the National Young Person’s Guarantee (YPG) commitment, Project Scotland have continued to develop their work, providing young people aged 16 to 24 not currently in employment, education or training, with individualized opportunities to progress, based on their personal circumstances and ambitions. There is a real focus on those facing significant barriers including young people from black and minority ethnicities, those with care experience, recent criminal convictions, and young parents. In 2021/2022, Project Scotland worked with 150 young people across four local authorities to create individual development plans, geared toward barrier removal, and providing volunteering, mentoring, training, learning and development opportunities, ultimately boosting their employability and chances of gaining sustainable and fair employment. The impact and learning of this work allowed us to develop our model and expand the work further to new local authorities (including Aberdeenshire) by the end of the year.

Retired and Senior Volunteer Projects (RSVP) have once again been active in their local communities. This includes Norfolk Knitters and Stitchers, with 132 groups of volunteers across the county, whose members knit and sew exclusively for charities and others in need of help. To support their local community, the knitters created “warm bags” containing items including hot water bottles, blankets and knitted socks. The first batch were snapped up within 90 minutes after being offered for free at a community centre. Since then, many more have been distributed through local charities and religious centres.

National Programmes with a Local Focus

Grandmentors

This year, Grandmentors operated across 11 communities. 364 mentors were recruited and trained, with 289 mentees supported. Another project recently started, making the total 12.

Grandmentors is an intergenerational mentoring project for care-experienced young people. This group of young people are amongst the strongest and most resilient in any community. Through the skill of mentoring, care experienced young people are supported to be autonomous, capable, and empowered adults. Through the programme, the young people set their own goals, and outcomes are closely tracked, often focusing on housing, finance, employment, education, training, health, and wellbeing. There is also flexibility as priorities may shift and change over time for the young person.

The Grandmentors programme provides a true place-based approach. Mentors and mentees often become more active in their own local community. This year, Milton Keynes Gallery hosted an event to showcase quilts made by the young people in Grandmentors taking part in the Transitional Belonging project. The evening gave the participants the chance to showcase their finished work to friends, family, and members of the art community in Milton Keynes. In Ipswich, our Grandmentors were present in Morrisons to gain support for the Orwell Challenge, and sign-up volunteer mentors.

Family Mentors and Family Supporters

Volunteering Matters has been engaging with families involved with social services for over ten years. Volunteers are trained and supported by staff, before providing tailored weekly support to the family, empowering the family to be self-sufficient, de-escalated from their child protection plans and reach goals set by the families. Family Mentors provided support in Southend, Greenwich and Waltham Forest, with Family Supporters operating in Edinburgh.

Volunteering Matters

Trustees' Report

In the last year in the four areas we operate in, 416 volunteers were recruited and trained, with 1114 family members being supported with housing, finance, education, employment, health and wellbeing.

National Partnership Working

The Vision for Volunteering

Over the past year, charities, volunteers, public bodies and the private sector came together to create a Vision for Volunteering. The Vision outlines what's needed to ensure volunteering can continue to make a big impact for the next decade – and beyond. Hundreds of people and organisations contributed to the Vision through workshops, interviews and submitting evidence.

The 10-year strategy has been led by five partner organisations; Volunteering Matters, National Council for Voluntary Organisations (NCVO), Association of Volunteer Managers (AVM), National Association for Voluntary and Community Action (NAVCA) and Sport England.

The result, the Vision for Volunteering, sets out principles for a diverse, innovative, sustainable, ambitious and person-centred future for volunteering in England. The Vision was launched to a huge fanfare in May 2022 at the Volunteer Expo Live, Birmingham NEC. #iwill Young Ambassadors led the inspiring launch event, demonstrating the Vision's principles in action.

Awards

This was another year where Volunteering Matters received many awards and extensive external acknowledgements, including:

- National Children and Young People Awards.
- The Leaving Care Award Winners - Grandmentors Team, Volunteering Matters

The Leaving Care Award recognises excellence in helping the transition from care into adulthood, equipping young people leaving care to have the best possible start. Evidence of ongoing support to working in partnership with the young person to promote independence is key.

The judges said:

"This inspiring initiative bridges generations to ensure the young people today learn from the experts from yesterday. Well done!"

- Also, at the Children and Young Peoples Awards, our Family Mentors Team were shortlisted for the Biggest Impact Award (Team)
- We also won awards locally, including winning at the Kids in Care Awards. Organised by Hounslow Council, the Kids in Care Awards, recognise and celebrate young people in Hounslow who have overcome a difficult upbringing or challenging circumstances to make an outstanding achievement in their lives.

Our Chief Executive, Paul Reddish received his OBE at Windsor Castle from HRH Prince of Wales in November 2022.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. The Trustees have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Looking Ahead

In 2021-22 and beyond we are partnering with and investing in communities to overcome their challenges, tackling social isolation and loneliness, improving health, developing skills and opportunity and making sure young people can lead change. We will do this at scale, sharing our expertise and building partnerships to make an even bigger impact. We will adopt new agile practices that will support this, allowing us to support communities to navigate through the COVID Pandemic. We will play a central role in supporting the UK Government and the Devolved Administrations in engaging the wider Third Sector to respond to the needs of communities post COVID-19.

Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the Fundraising Regulator, which sets the standards of fundraising practices in the UK. We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the General Data Protection Regulation (GDPR) 2018. We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect from us.

FINANCIAL REVIEW

Results for the year

2021/22 results reflect what has been a turbulent time within the sector. The underlying operating financial model of the charity is now stable after a few years of larger deficits. However, running a charity in this current climate comes with many additional challenges. These include the transition out of the COVID pandemic as our funding partners face their own fiscal challenges, a major internal change programme to revitalise our strategy, our investment in modern systems and processes to support our work and track our impact, and of course more recently the cost of living crisis.

During this period, we have seen our income grow from £5.2m to £7.5m. Much of this is project growth where the income constitutes mostly restricted funds to deliver the new projects and therefore incurs additional delivery costs. We've also faced rises in costs in a number of areas as a result of some of the aforementioned challenges. This includes increases in basic pay across the workforce in order to remain competitive to attract the staff we need in delivering key services. The combined impact of all of this is an operational deficit of £319k.

Actuarial gains were made on the valuation of the defined benefit pension scheme of £3,490k. This annual revaluation does not impact cash flow as the employer's contribution to the pension fund is renegotiated triennially at a sustainable level with the London Borough of Islington. This provides certainty in relation to cash flow planning through to 2024.

Looking forward

In last year's accounts we reported our intention to continue to focus on growth in order to maintain the momentum over previous years to move into operational surpluses. However, the emerging challenging environment that all charities are currently operating in, as a result of the current fiscal crisis, have meant that opportunities for funding have proved more limited, which has meant slower growth than forecast, in addition to cost increases driven by the cost of living crisis. We have therefore restructured significantly in 2022/23 to reduce costs in line with these challenges. Some of these efficiencies have been achievable due to the investments in a change programme to implement better systems in the previous financial year. We expect similar losses in 2022/23 to account for this restructuring happening in year. As a result of the restructuring, we are forecasting that the second half of the year will deliver an operating surplus.

Given the current financial climate, impact on statutory partners and expected knock on impact to our sector, our forecasts for 2023/24 predict a shrinking of our income and services by approximately 10%, as opposed to previous predicted continued growth. Despite this, we expect that the restructuring and changes that we have made in FY2022/23 will enable the organisation to deliver an operating surplus in 2023/24.

In riding out these challenges, we have had to use much of our free reserves in the year. With the impact of recent restructuring and changes still to take full effect in the current year, we expect to report a similar deficit in FY2022/23 which will result in free reserves becoming negative.

Volunteering Matters

Trustees' Report

The operating climate remains uncertain and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years.

We are very fortunate as a charity to have a significant property asset we own outright which gives us a further safety net should we need it. However, it is not the intention of the trustees to use that safety net, and therefore our focus over the coming financial years will be on building free reserves through operational surpluses from 2023/24 onwards.

Trustees have therefore proposed a new reserves policy to take effect 2023/24 onwards to shift to the building of free reserves to reflect this change of strategy, with growing confidence that the work done over the last few years has enabled Volunteering Matters to navigate a challenging period and demonstrate an underlying sustainable financial model that supports the increasing demand for our work.

Volunteering Matters

Trustees' Report

Reserves

The Trustees are responsible for ensuring that the reserves policy is fit for purpose and meets the requirements of the Statement of Recommended Practice for charity accounting (FRS 102) and in addition, have considered the Charity Commission's guidance on the matter specifically:

1. the reasons why the charity needs reserves;
2. what level of reserves the Trustees believe the charity needs;
3. what steps the charity is going to take to establish this agreed level;
4. what the appropriate arrangements are for monitoring and reviewing this policy.

The Reserves Policy in place for the year ending 31st March 2022 is based on the level of reserves excluding three items:

- restricted reserves, which can only be spent to support particular projects;
- the pension deficit, because this deficit will not be payable in full for many years;
- the net book value of the properties held for the charity's own use, which is the Fixed Asset designated reserve.

The charity's available reserves have therefore been calculated as follows:

	2022	2021
	£'000	£'000
Total Reserves excluding Pension Deficit Reserve	1,605	1,768
Less Restricted Funds	(260)	(171)
Unrestricted Reserves	1,345	1,597
Free Reserves	67	352

The Trustees have agreed to change the reserves policy to reflect the challenging environment in which Volunteering Matters operates and the impact this has had over recent years on the reported reserves position. At 31 March 2022 the organisation has free reserves of £67K and with the expected level of deficit in the current year being similar expect to report negative free reserves in FY 2022/23.

The organisation has overdraft facilities available to it, to support the fluctuations in cashflow, which are secured on owned property. The Trustees consider this facility to be sufficient to support the organisation's continued operations whilst free reserves are returned to an appropriate level. Progress towards the targeted free reserves is reported on and monitored by the Finance and Audit Committee on a monthly basis and any corrective action identified as necessary will be monitored by this committee.

Trustees have therefore set a target for the increase in reserves in future years at a planned rate of £200K per year from 2023/24.

The reserves position is reviewed at the Finance and Audit Committee regularly and is approved annually at Council. The Trustees are satisfied that this strategy is appropriate based on the assessment of going concern detailed below.

Risks

The main risk for the charity is not closing the operational deficit and being unable to rebuild free reserves.

This is being addressed through a combination of managing costs, restructuring where necessary, identifying and addressing projects which do not return sufficient contribution and securing more work, supported by the Director of Business Development and Impact. Monthly reporting of project income and costs and detailed analysis has been progressed but, during the year, had not reached the stage of providing sufficient information on which to base decisions. This is the focus of much work in the current year and is one of the major changes, along with the restructuring, expected to deliver positive changes in performance.

Volunteering Matters

Trustees' Report

Going Concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow regularly, and has proactive and robust procedures for ensuring management of debtors. During the current year improvements in providing meaningful management information have been made, and the Finance and Audit Committee reviews the position each quarter.

Given the current financial climate, impact on statutory partners and expected knock on impact to our sector, our forecasts for 2023/24 predict a shrinking of our income and services by approximately 10%, as opposed to previous predicted continued growth. Despite this, the restructuring and changes that we have made in FY2022/23 are expected to enable the organisation to deliver an operating surplus in 2023/24.

In riding out these challenges, we have had to use all of our free reserves and expect to report negative free reserves in FY 2022/23. Whilst reserves are designed for situations like this, the operating climate remains uncertain and therefore the risk appetite of trustees and the executive is much lower, hence the more prudent and conservative approach to growth and spending in coming years.

We are very fortunate as a charity to have a significant property asset we own outright which gives us a further safety net should we need it. However, it is not the intention of the trustees to use that safety net, and therefore our focus over the coming three financial years will be on building free reserves through operational surpluses. This asset enables us to secure overdraft facilities to support the ongoing operation of the charity.

Further details on the going concern basis of preparation are set out in note 1 (b).

On this basis, the Trustees are of the view that the charity will remain a going concern for a period of at least 12 months from the date of the approval of these financial statements, which should therefore be prepared on that basis.

The pension scheme deficit as at 31 March 2022 presented a significant challenge over the medium term. Market conditions since then mean that the prospects for negotiating an affordable exit from the scheme are now much more positive. We are in active discussions with the pension fund about this issue.

The Operating Surplus/(Deficit), which is referred to in the going concern commentary (page 12 above), our reserves policy (page 11) and the forward look (page 10) is calculated as follows		
	2022	2021
Net income/(expenditure)	(319)	(346)
Add back interest on pension scheme liabilities (note 17)	1,290	1,312
Remove interest on pension scheme assets (note 17)	(1,034)	(994)
Adjustment for employer contributions (note 17)	(100)	
Operating Surplus / (Deficit)	(163)	(28)

Volunteering Matters

Trustees' Report

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985.

Volunteering Matters is also registered as a charity in Scotland. Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Council of Management of Volunteering Matters (the Council) comprises the charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Council also has responsibility for the control and monitoring of the application of these policies. All the members of the Council are statutory directors and charity Trustees.

Volunteering Matters will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills.

All trustees have the opportunity to attend a half-day induction session that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Brand, reputation and results
- Programmes, projects and operations
- Documentation and resources In addition, they are issued with the NCVO handbook for trustees.

In terms of training, trustees are given every opportunity to attend appropriate development sessions organised by charity accountants, solicitors, NCVO, NPC and other Organisations. All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and projects local to that area.

The following Council committees meet regularly:

- The Finance and Investment Committee was renamed the Finance and Audit Committee in April 2021. The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy. The Finance and Audit Committee also receive the report from the external auditors, review and respond to the findings and recommendations and then monitor the implementation of agreed actions to address issues raised.
- The Enterprise Committee was formed in April 2021. The committee is responsible for providing additional support to the commercial and entrepreneurial directorate of Volunteering Matters which currently includes our Employee Volunteering service and the trading subsidiary Get The Gen.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Council to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Council for all aspects of performance.

The Executive Leadership Team comprises the Chief Executive, Director of Volunteering Delivery, Director of Business Development and Impact, Director of Enterprise, Head of Finance and Head of HR. Key management personnel comprise the Trustees and the Executive Leadership Team.

Volunteering Matters

Trustees' Report

Remuneration policy

The pay structure in Volunteering Matters is currently based on the National Joint Council for Local Government (NJC) pay scales, which are used by local government and widely used by the voluntary and community sector. Due to the nature of our work we also use spot salaries when required for specialist roles.

Human Resources monitor our pay and reward strategy, remuneration reviews and all related policies. The Organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Post Balance Sheet Event

There are no post balance sheet events to report.

Contingent Liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset. A further contingent liability may arise in the event of a cessation event crystallising a cessation debt.

Statement of Council's Responsibilities

The Council (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Council 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 company for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume the group and charitable company will continue in operation.

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

Insofar as the Council are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- Council members have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

Volunteering Matters

Trustees' Report

Auditors

Saffery Champness LLP are our appointed auditors and have indicated their willingness to continue in that capacity.

The report of the trustees, which includes the strategic report, has been approved by the Council and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'Anne Heal', written over a horizontal line.

Anne Heal
Chair of Council
10 February 2023

Volunteering Matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters

Opinion

We have audited the financial statements of Volunteering Matters (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the Volunteering matters statement of financial activities, the consolidated balance sheet, the Volunteering Matters balance sheet, the consolidated cashflow, Volunteering Matters cashflow 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 affairs of the group and the parent charitable company as at 31 March 2022 and of the group's and parent company charity's 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 (as 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 (b) within the financial statements which indicates that the Group reported net expenditure for the year to 31 March 2022 of £319k (2021: deficit of £346k) and is expecting to report a further operating deficit in financial year 22/23 and consequently negative free reserves as at 31 March 2023. The charitable company is awaiting, at the date of approval of the accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The Trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes. These events or conditions along with other matters as set forth in Note 1 (b), indicate that a material uncertainty exists which may cast significant doubt on the company's and group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

Other information

The trustees are responsible for the other information. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, 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 group's and the parent 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 group or the parent 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 auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Volunteering matters

Independent Auditor's Report to the Members and Trustees of Volunteering matters (continued)

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

10 February 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Volunteering Matters

Consolidated Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Income from:					
Donations and legacies	2	20	66	86	236
Charitable activities	3	778	6,541	7,319	4,865
Property income	4	1	-	1	8
Other Income	4	14	39	53	93
Total income		<u>813</u>	<u>6,646</u>	<u>7,459</u>	<u>5,202</u>
Expenditure on:					
Raising funds	5	258	-	258	424
Charitable activities	5	963	6,557	7,520	5,124
Total expenditure		<u>1,221</u>	<u>6,557</u>	<u>7,778</u>	<u>5,548</u>
Net income/(expenditure)		<u>(408)</u>	<u>89</u>	<u>(319)</u>	<u>(346)</u>
Other recognised gains/(losses):					
Actuarial gain on defined benefit pension schemes	17	3,490	-	3,490	1,324
		<u>3,490</u>	<u>-</u>	<u>3,490</u>	<u>1,324</u>
Net movement in funds		<u>3,082</u>	<u>89</u>	<u>3,171</u>	<u>978</u>
Total funds brought forward	13	<u>(10,668)</u>	<u>171</u>	<u>(10,497)</u>	<u>(11,475)</u>
Total funds carried forward	13	<u><u>(7,586)</u></u>	<u><u>260</u></u>	<u><u>(7,326)</u></u>	<u><u>(10,497)</u></u>

There were no recognised gains or losses other than those stated above.

The notes on pages 26 to 39 form part of these financial statements.

Volunteering Matters

Volunteering Matters Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	2021 £'000
Income from:					
Donations and legacies	2	20	66	86	236
Charitable activities	3	778	6,415	7,193	4,865
Property income	4	1	-	1	8
Other income	4	14	39	53	93
Total income		<u>813</u>	<u>6,520</u>	<u>7,333</u>	<u>5,202</u>
Expenditure on:					
Raising funds		258	-	258	424
Charitable activities		963	6,461	7,424	5,124
Total expenditure		<u>1,221</u>	<u>6,461</u>	<u>7,682</u>	<u>5,548</u>
Net income/(expenditure)		<u>(408)</u>	<u>59</u>	<u>(349)</u>	<u>(346)</u>
Other recognised gains/(losses):					
Actuarial gain on defined benefit pension schemes	17	3,490	-	3,490	1,324
		<u>3,490</u>	<u>-</u>	<u>3,490</u>	<u>1,324</u>
Net movement in funds		<u>3,082</u>	<u>59</u>	<u>3,141</u>	<u>978</u>
Total funds brought forward	13	<u>(10,668)</u>	<u>171</u>	<u>(10,497)</u>	<u>(11,475)</u>
Total funds carried forward	13	<u><u>(7,586)</u></u>	<u><u>230</u></u>	<u><u>(7,356)</u></u>	<u><u>(10,497)</u></u>

There were no recognised gains or losses other than those stated above.

The notes on pages 26 to 39 form part of these financial statements.

Volunteering Matters

Consolidated Balance Sheet For the year ended 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Fixed assets	9		<u>1,278</u>		<u>1,245</u>
			1,278		1,245
Current assets					
Debtors	11	1,396		1,307	
Cash at bank		<u>916</u>		<u>385</u>	
		2,312		1,692	
Creditors: amounts falling due within one year	12	<u>(1,985)</u>		<u>(1,169)</u>	
Net current assets excluding pension liability			<u>327</u>		<u>523</u>
Defined benefit pension scheme liability			<u>(8,931)</u>		<u>(12,265)</u>
Total net liabilities			<u><u>(7,326)</u></u>		<u><u>(10,497)</u></u>
Funds					
Unrestricted funds	13		1,345		1,597
Restricted funds	13		260		171
Pension reserve	13		<u>(8,931)</u>		<u>(12,265)</u>
			<u><u>(7,326)</u></u>		<u><u>(10,497)</u></u>

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved by the trustees on 10 February 2023 and are signed on their behalf by:



**Anne Heal, Chair & Council Member
Trustee**



**Simon Judge
Chair of the Finance & Audit Committee**

Company Registration No. 1435877

Volunteering Matters

Volunteering Matters Balance Sheet For the year ended 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Fixed assets	9		<u>1,278</u>		<u>1,245</u>
			1,278		1,245
Current assets					
Debtors	11	1,368		1,307	
Cash at bank		<u>886</u>		<u>385</u>	
		2,254		1,692	
Creditors: amounts falling due within one year	12	<u>(1,957)</u>		<u>(1,169)</u>	
Net current assets excluding pension liability			<u>297</u>		<u>523</u>
Defined benefit pension scheme liability			<u>(8,931)</u>		<u>(12,265)</u>
Total net liabilities			<u><u>(7,356)</u></u>		<u><u>(10,497)</u></u>
Funds					
Unrestricted funds	13		1,345		1,597
Restricted funds	13		230		171
Pension reserve	13		<u>(8,931)</u>		<u>(12,265)</u>
			<u><u>(7,356)</u></u>		<u><u>(10,497)</u></u>

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved by the trustees on 10 February 2023 and are signed on their behalf by:



**Anne Heal, Chair & Council Member
Trustee**



**Simon Judge
Chair of the Finance & Audit Committee**

Company Registration No. 1435877

Volunteering Matters

Consolidated Statement of Cash Flows For the year ended 31 March 2022

	2022 £'000	2021 £'000
Reconciliation of Cashflows from Operating Activities		
Net income/(expenditure)	(319)	(346)
Depreciation charges	51	44
Pension cost adjustment	156	318
(Increase)/decrease in debtors	(89)	(652)
Increase/(decrease) in creditors	816	447
Cash flows from operating activities	615	(189)
Cash flows from investing activities		
Purchase of fixed assets	(84)	(56)
Net cash used in investing activities	(84)	(56)
Change in cash and cash equivalents in the period	531	(245)
Cash and cash equivalent brought forward	385	630
Cash and cash equivalents carried forward	916	385
Reconciliation of Net Cash		
	31 March 2021	31 March 2022
	Brought forward	Carried forward
	£'000	£'000
Cash at bank	385	916

Volunteering Matters

Volunteering Matters Statement of Cash Flows For the year ended 31 March 2022

	2022 £'000	2021 £'000
Reconciliation of Cashflows from Operating Activities		
Net income/(expenditure)	(349)	(346)
Depreciation charges	51	44
Pension cost adjustment	156	318
(Increase)/decrease in debtors	(61)	(652)
Increase/(decrease) in creditors	788	447
Cash flows from operating activities	<u>585</u>	<u>(189)</u>
Cash flows from investing activities		
Purchase of fixed assets	(84)	(56)
Net cash used in investing activities	<u>(84)</u>	<u>(56)</u>
Change in cash and cash equivalents in the period	501	(245)
Cash and cash equivalent brought forward	385	630
Cash and cash equivalents carried forward	<u><u>886</u></u>	<u><u>385</u></u>
Reconciliation of Net Cash		
	31 March 2021	31 March 2022
	Brought forward	Carried forward
	£'000	£'000
Cash at bank	<u><u>385</u></u>	<u><u>886</u></u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

1. Accounting policies

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England, Wales and Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD.

a) Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules and on the going concern basis.

Company status

The Charity is a private company limited by guarantee. The members of the Charity are the Board of Trustees as detailed on page 2. The charity is incorporated in England and Wales country of incorporation and registration numbers are detailed on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertaking, PS Enterprises Limited. The subsidiary has been fully consolidated on a line by line basis in accordance with FRS 102 from the date it became part of the Group.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Charity's financial statements, the investment in its subsidiaries are stated at cost or book value.

b) Going concern

The directors consider the charitable company and group to be a going concern and the financial statements have been prepared on that basis.

At the balance sheet date, the Group and company had negative total funds of £7.3m (2021: £10.5m) reflective of the accounting requirements for defined benefit pension scheme arrangements under the requirements of the charities SORP. The company and group also reported £67,000 free reserves at the balance sheet date and the Trustees expect to report a further deficit in financial year 22/23 and consequently negative free reserves at 31 March 2023.

The charitable company and group rely on funding support, grants and contract income from outside sources, the generation of future operating surpluses and sufficient ongoing operating cashflow to finance its ordinary activities. The charitable company and Group currently meet their day to day working capital requirements through the available cash resources including the use of an overdraft facility secured on the charitable company's property asset, repayable on demand.

The Trustees, mindful of economic headwinds, have taken steps to reduce operating costs to lower levels. The charity continues to seek the necessary contract and funding agreement renewals and new business conversion to ensure that the company and group can continue to meet debts as they fall due.

In common with many charitable organisations with income from contracts and other funding agreements, the charitable company is awaiting, at the date of approval of the accounts, the outcome of a number of funding applications for both renewal and new business contracts which remain uncertain at the date of approval. The forthcoming budget is built on a prudent view of these anticipated outcomes. The Trustees continue to undertake a review of operations so that the organisation is best placed to adjust its programme of activities to match available resources, given the likely range of outcomes.

Against this background, the Trustees have considered and approved management prepared financial operating projections for the period to 31 March 2024 which include assumptions for anticipated costs and income which the Trustees consider to be reasonable and prudent.

Having considered the matters above, the Trustees are of the view that, at the date of approval of the financial statements, the charitable group and company has sufficient reserves and other resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have been drawn up on a going concern basis.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured.

Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However the value of volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

e) Resources expended

Resources expended are recognised on the accrual basis in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to phasing funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Freehold property	2% straight line
Leasehold property	for the period of the lease
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

The charity also provides retirement benefits to past and certain current employees through the Local Government Pension Scheme ('LGPS') operated by the London Borough of Islington. This is a defined benefit scheme which closed to new members on 3 April 2009 and to future accrual on 4 May 2015.

The LGPS is a funded scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the Statement of Financial Activities are the current service costs and the costs of scheme benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

Actuarial gains and losses are recognised within the Statement of Financial Activities within Other recognised gains and losses.

i) Provisions

Dilapidations are valued using a management estimate of the cost to the charity of works required to repair each property to the required condition at the end of the respective leases.

j) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

k) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial assets include debtor balances except prepayments as shown at Note 11 to the financial statements. Financial liabilities refers to all creditor balances including *deferred income tax and social security as shown at Note 12 to the financial statements*

l) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations. The key area of estimation and judgement is the discount rate used by the actuary in determining our pension liabilities as reported in Note 16 to these Financial Statements.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

2. Donations and legacies

Group and Company	2022 £'000	2021 £'000
Individual and company donations (unrestricted)	20	169
Trusts and foundations (restricted)	66	67
	<u>86</u>	<u>236</u>

3. Incoming resources from charitable activities

Group	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	713	334	1,047	857
Central Government	-	1,138	1,138	874
Local Government	5	2,407	2,412	2,027
European funding	-	209	209	108
Trusts and Foundations (grants)	41	496	537	573
Corporate	76	1,115	1,191	288
Other public sector	(57)	842	785	138
	<u>778</u>	<u>6,541</u>	<u>7,319</u>	<u>4,865</u>

Company

The comparable income of the charitable company is £7,193,000, which is as detailed above excluding £172,000 generated by the subsidiary company and other group adjustments.

Company	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
National Grants including Big Lottery Fund and People's Postcode Lottery	750	107	857
Central Government	-	874	874
Local Government	-	2,027	2,027
European funding	-	108	108
Trusts and Foundations (grants)	-	573	573
Employee Volunteering	288	-	288
Other public sector	78	60	138
	<u>1,116</u>	<u>3,749</u>	<u>4,865</u>

4. Incoming resources from non-charitable activities

	2022 Unrestricted £'000	2022 Restricted £'000	2022 Total £'000	2021 Total £'000
Property Income	1	-	1	8
Furlough income	14	39	53	93
	<u>15</u>	<u>39</u>	<u>54</u>	<u>101</u>

Incoming resources from non-charitable activities for the prior year

	2021 Unrestricted £'000	2021 Restricted £'000	2021 Total £'000
Property Income	8	-	8
Furlough Income	93	-	93
	<u>101</u>	<u>-</u>	<u>101</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

5. Total resources expended

	Staff costs (Note 8) £'000	Other direct costs £'000	Support costs £'000	Total 2022 £'000	Total 2021 £'000
Group					
Cost of raising funds	242	3	12	258	424
Charitable activities - investing in volunteering	4,912	1,723	886	7,521	5,124
Total resources expended	<u>5,154</u>	<u>1,726</u>	<u>898</u>	<u>7,778</u>	<u>5,548</u>

Staff costs and other direct costs are a mixture of restricted and unrestricted costs.

Restricted costs are made up of delivery projects cost. Unrestricted costs are made up of central staff costs and unrestricted project costs. Support costs are all unrestricted costs and comprise of operational costs, IT and other administrative costs. The total governance cost includes a proportion of support costs.

Total resources expended for the prior year

	Staff costs (Note 8) £'000	Other direct costs £'000	Support costs £'000	Total 2021 £'000
Cost of raising funds	257	167	-	424
Charitable activities - investing in volunteering	<u>3,515</u>	<u>1,087</u>	<u>522</u>	<u>5,124</u>
Total resources expended	<u>3,772</u>	<u>1,254</u>	<u>522</u>	<u>5,548</u>

6. Grants paid

	2022 £'000	2021 £'000
Action Earth Community based projects paid to organisations	<u>48</u>	<u>30</u>
Grants paid to organisations during the year were paid as follows:		
Number of individual grants less than £2,000	<u>175</u>	<u>113</u>
	<u>175</u>	<u>113</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

7. Net income/(expenditure) for the year

	2022 £'000	2021 £'000
This is stated after charging:		
Depreciation	51	44
Auditors' remuneration (see below):	28	26
Operating lease rentals: Property	66	46

During the period 5 Council members (2021: 1) received reimbursement for travel & subsistence expenses totalling £1,283 (2021: £689). No remuneration nor payment for services was paid to any member of the Council (2021: none).

	2022 £'000	2021 £'000
Auditors' remuneration (excluding VAT)		
External audit	28	26
Non audit services	5	-
	<u>33</u>	<u>26</u>

8. Staff numbers and costs - Group

	2022 £'000	2021 £'000
Wages and salaries	4,377	3,067
Redundancy/Compensation costs	24	29
Social security costs	392	283
Defined contribution pension scheme costs	106	75
Defined benefit pension scheme interest (note 17)	256	318
	<u>5,154</u>	<u>3,772</u>

Redundancy costs reflect the actual or anticipated costs of contractual payments due as a result of management decisions taken during the year. Redundancy costs are funded from project funds / the charity's own resources as appropriate on a case by case basis.

	2022 No.	2021 No.
Number of staff earning more than £60,000 in the accounting year:		
Number of employees receiving £90,001- £100,000	1	1
Number of employees receiving £70,001- £80,000	-	1
Number of employees receiving £60,000- £70,000	1	2
	<u>2</u>	<u>4</u>

The total earnings including pensions of the charity's key management personnel was £417,911 (2021: £302,236).

The average monthly number of employees, expressed as head count and as full time equivalents, during the period was:

	Head count		Full time equivalents	
	2022 No.	2021 No.	2022 No.	2021 No.
Charitable activities	174	116	136	82
Fundraising	13	5	13	4
Governance	1	1	1	1
	<u>188</u>	<u>122</u>	<u>150</u>	<u>87</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

9. Tangible fixed assets - Charity and group

	Freehold & Long Leasehold properties £'000	Plant and equipment £'000	Total 2021 £'000
Cost			
At 1 April 2021	1,611	309	1,920
Additions	-	84	84
Disposals/write offs			-
At 31 March 2022	<u>1,611</u>	<u>393</u>	<u>2,004</u>
Depreciation			
At 1 April 2021	416	259	675
Charge for the period	32	19	51
Disposals/write offs			-
At 31 March 2022	<u>448</u>	<u>278</u>	<u>726</u>
Net book value			
At 31 March 2022	<u>1,163</u>	<u>115</u>	<u>1,278</u>
At 31 March 2021	<u>1,195</u>	<u>50</u>	<u>1,245</u>

10. Investments

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Investments in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>-</u>

Volunteering Matters acquired PS Enterprises Limited, registered in Scotland, on 1 April 2021, following the acquisition of the assets and liabilities of its previous parent entity Project Scotland. PS Enterprises Limited generated a profit of £29,781 for the period to 31 March 2022 and had closing capital and reserves of £29,810.

11. Debtors

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade debtors	1,001	973	1,002
Accrued income	<u>395</u>	<u>395</u>	<u>305</u>
	<u>1,396</u>	<u>1,368</u>	<u>1,307</u>

Volunteering Matters pursues an active debt recovery process and the majority of trade debtors and accrued income was received before the signing of the accounts.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

12. Creditors: amounts falling due within 1 year

	2022 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade creditors	542	537	87
Social security and other taxes	62	57	96
Accruals and other creditors	425	420	122
Deferred income (see below)	956	943	864
	<u>1,985</u>	<u>1,957</u>	<u>1,169</u>
<u>Deferred income</u>			
Balance b/f	864	864	479
Amount released to incoming resources	(864)	(864)	(479)
Amount deferred in the period	956	943	864
Balance c/f	<u>956</u>	<u>943</u>	<u>864</u>

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

13. Statement of funds - Group

	31 March 2021					31 March 2022
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
Unrestricted funds:						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund	1,597	813	(1,065)	-	-	1,345
before pension deficit						
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,646	(6,557)	-	-	260
Total funds	(10,497)	7,459	(7,778)	-	3,490	(7,326)

Statement of funds - Charity

	31 March 2021					31 March 2022
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
Unrestricted funds:						
Designated funds	1,245	84	(51)	-	-	1,278
General fund	352	729	(1,014)	-	-	67
Total unrestricted fund	1,597	813	(1,065)	-	-	1,345
before pension deficit						
Less pension deficit	(12,265)	-	(156)	-	3,490	(8,931)
Restricted funds	171	6,520	(6,461)	-	-	230
Total funds	(10,497)	7,333	(7,682)	-	3,490	(7,356)

Restricted funds represent balances, none of which are considered to be material individually, in respect of many on-going projects where funds are shortly to be applied, having been restricted by the terms of the funding agreements.

Unrestricted designated and general expenditure relates mainly to non-project costs.

14. Statement of funds for prior year

	31 March 2020					31 March 2021
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Summary of funds						
Unrestricted funds:						
Designated funds	1,227	62	(44)	-	-	1,245
General fund	273	1,324	(1,245)	-	-	352
Total unrestricted fund	1,500	1,386	(1,289)	-	-	1,597
before pension deficit						
Less pension deficit	(13,271)	-	(318)	-	1,324	(12,265)
Restricted funds	296	3,816	(3,941)	-	-	171
Total funds	(11,475)	5,202	(5,548)	-	1,324	(10,497)

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

15. Analysis of net assets - Group	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,278	1,278
Net Current Assets	260	67	327
Provisions, long-term liabilities and pension liabilities	-	(8,931)	(8,931)
Net assets at the period end	<u>260</u>	<u>(7,586)</u>	<u>(7,326)</u>

Analysis of net assets for the prior year

	Restricted funds £'000	Unrestricted funds £'000	Total funds £'000
Tangible fixed assets	-	1,245	1,245
Net Current Assets	171	352	523
Provisions, long-term liabilities and pension liabilities	-	(12,265)	(12,265)
Net assets/(liabilities) at the period end	<u>171</u>	<u>(10,668)</u>	<u>(10,497)</u>

16. Operating lease commitments

The charity's future minimum operating leases payments are as follows:

	2022 Land and buildings £'000	2021 Land and buildings £'000
Not later than one year	46	46
Later than one year but not later than five years	-	-
	<u>46</u>	<u>46</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

17. Pension contributions and commitments

Volunteering Matters is a member of the London Borough of Islington defined benefit pension scheme and also participates in the Pensions Trust's Flexible Retirement defined contribution scheme.

Employer contributions of £100k (2021: £-) were made to the London Borough of Islington defined benefit pension scheme in the year. The contractual payments due for the year ending 31 March 2022 is £100k.

The disclosures set out below are based on the financial data supplied by Mercers, the Actuary to the London Borough of Islington. A triennial actuarial valuation of the Scheme was carried out at 31 March 2019 and was rolled forward. This was updated at 31 March 2022 by a qualified actuary using assumptions that are consistent with the requirements of FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The major assumptions used for the valuation were:

	2022	2021
	%	%
Discount rate	2.8	2.1
Inflation (CPI)	3.4	2.7
Salary increases	4.9	4.2
Increases to pension in payment	3.5	2.8
Life expectancy current pensioner age 65 male	22.7	22.8
Life expectancy current pensioner age 65 female	25.3	25.3
Life expectancy pensioner age 65 male 20 years' time	24.1	24.3
Life expectancy pensioner age 65 female 20 years' time	<u>27.1</u>	<u>27.2</u>

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2022 were:

	2022	2021
	Value of assets £'000	Value of assets £'000
Equities	32,131	27,428
Other bonds	5,813	5,485
Property	8,878	7,979
Cash/liquidity	-	2,493
Other	<u>6,024</u>	<u>6,483</u>
Total fair value of assets	52,846	49,868
Present fair value of funded benefit obligations	<u>(61,777)</u>	<u>(62,133)</u>
Deficit	<u>(8,931)</u>	<u>(12,265)</u>

	2022	2021
	£'000	£'000
Interest on pension liabilities	(1,290)	(1,312)
Interest on plan assets	<u>1,034</u>	<u>994</u>
Total pension cost charged to expenditure (note 8)	<u>(256)</u>	<u>(318)</u>

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

17. Pension contributions and commitments (continued)

	2022	2021
	£'000	£'000
Change in benefit obligation		
Benefit obligation at beginning of year	(62,133)	(55,368)
Interest on pension liabilities	(1,290)	(1,312)
Actuarial (losses)	285	(6,848)
Benefits/transfers paid	<u>1,361</u>	<u>1,395</u>
Benefit obligation at end of year	<u>(61,777)</u>	<u>(62,133)</u>
Change in plan assets		
Fair value of Scheme assets at beginning of year	49,868	42,097
Expected return on plan assets	1,034	994
Actuarial gains / (losses)	3,205	8,172
Employer contributions	100	-
Benefits/transfers paid	<u>(1,361)</u>	<u>(1,395)</u>
Fair value of Scheme assets at end of year	<u>52,846</u>	<u>49,868</u>
Statement of actuarial gains/(losses)		
Change in benefit obligation	285	(6,848)
Change in plan assets	<u>3,205</u>	<u>8,172</u>
Net gain	<u>3,490</u>	<u>1,324</u>

18. Related parties

The only related party transactions have been with the wholly owned subsidiary therefore they have not been disclosed.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

19. Statement of financial activities for the period ended 31 March 2021

Company	Unrestricted Funds £'000	Restricted Funds £'000	Total to 31 March 2021 £'000
Income and endowments			
Donations and legacies	169	67	236
Charitable activities	1,116	3,749	4,865
Property income	8	-	8
Furlough Income	93	-	93
Other income	-	-	0
Total income and endowments	<u>1,386</u>	<u>3,816</u>	<u>5,202</u>
Expenditure on			
Raising funds	424	-	424
Charitable activities	1,183	3,941	5,124
Total expenditure	<u>1,607</u>	<u>3,941</u>	<u>5,548</u>
Net income/(expenditure) for the year	(221)	(125)	(346)
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	1,324	-	1,324
Net movement in funds	<u>1,103</u>	<u>(125)</u>	<u>978</u>
Reconciliation of funds			
Total funds/(deficits) brought forward	(11,771)	296	(11,475)
Total funds/(deficits) carried forward	<u><u>(10,668)</u></u>	<u><u>171</u></u>	<u><u>(10,497)</u></u>

20. Contingent liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset. A further contingent liability may arise in the event of a cessation event crystallising a cessation debt.

Volunteering Matters

Notes to the financial statements For the year ended 31 March 2022

21. Business Acquisition

Project Scotland - Acquisition of Assets and Liabilities

On 1 April 2021, Volunteering Matters acquired the assets and liabilities of Project Scotland. The Trustees confirm that no fair value adjustments were required and the fair value of PS Enterprises Limited at the date of acquisition is equal to the book cost of the assets and liabilities of the business. No goodwill has been recognised and no consideration was paid.

	31 March 2021 £'000
Fixed assets	7
Current assets	
Debtors	167
Cash at bank and in hand	22
	<u>189</u>
Creditors: amounts falling due within one year	(133)
Net current assets	56
Creditors: amounts falling due after one year	(27)
Net assets	<u><u>36</u></u>
Capital and reserves	
Called up share capital	30
Profit and loss account	6
Equity shareholders' funds	<u><u>36</u></u>

PS Enterprises Limited - Gift of Share Capital

On 1 April 2021, Volunteering Matters acquired 100% of the ordinary share capital of PS Enterprises Limited. The share capital was gifted to Volunteering Matters as part of the acquisition of the assets and liabilities of Project Scotland. PS Enterprises Limited's principal activity is training and event management in support of its parent charity. The gift is reflected within the charity's other income for the period. The Trustees confirm that no fair value adjustments were required and the fair value of PS Enterprises Limited at the date of acquisition is equal to the book cost of the assets and liabilities of the business. No goodwill has been recognised and no consideration was paid.

	31 March 2021 £'000
Current assets	
Debtors	19
Cash at bank and in hand	18
	<u>37</u>
Creditors: amounts falling due within one year	(22)
Net current assets	15
Creditors: amounts falling due after one year	(15)
Net assets	<u><u>-</u></u>
Capital and reserves	
Called up share capital	-
Profit and loss account	-
Equity shareholders' funds	<u><u>-</u></u>

VOLUNTEERING MATTERS

England & Wales - Charity number 291222

Accounts

Volunteering Matters
Annual Report and Accounts
For the Year ended 31 March 2021

Contents

About us.....	3-4
Introduction from our Chair of Council.....	5
Chief Executive’s Report.....	6
Trustees’ Report including the Strategic Report.....	7-16
Independent Auditor’s Report to the Members.....	17-20
Financial Statements.....	21-31
Statement of Financial Activities.....	21
Balance Sheet.....	22
Cash Flow.....	23
Notes to the Financial Statements.....	24-31
Thanks to our Funding Partners.....	32

ABOUT US

Company details

Charity registration	Registered in England & Wales as a charity, number 291222 Registered in Scotland as a charity, number SC039171
Company registration	01435877
Registered office	The Levy Centre, 18- 24 Lower Clapton Road, London, E5 0PD
President	Lord David Freud
Vice President	John Pulford MBE

Trustees, Board and Group Members

The members of the Council, who are also trustees under charity law and directors under company law who served during the period and up to the date of this report were as follows:

Anne Heal	Trustee and Chair of the Council
Andrew Hudson	Trustee. Vice Chair until April 2021. Member of the Finance and Audit Committee.
Pru Whitwell	Trustee since April 2021, and Vice Chair
Emmanuel Ayoola	Trustee
David Wilkinson	Trustee, and Chair of the Finance and Investment Committee, until April 2021
Peter Bailey	Trustee, and member of the Finance and Investment Committee, until April 2021
Simon Judge	Trustee. Member of the Finance and Investment Committee until April 2021, and Chair of the Finance and Audit Committee thereafter
Katrina Lambert	Trustee
Patrick Luong	Trustee
Sue Maskrey	Trustee and Safeguarding Champion
Zara Todd	Trustee and Whistleblowing Champion
Martin Fleming	Trustee since April 2021. Member of the Finance and Audit Committee

VOLUNTEERING MATTERS - Year ended 31 March 2021

Julie-Anne Jamieson	Trustee since April 2021. Member of the Finance and Audit Committee
Craig Hamilton	Trustee since April 2021. Chair of the Enterprise Committee
Julie Kirkbride	Trustee

Satyen Dhana, Linda Holden, Raymond O'Hare, Katerina Rudiger, Fernando Sanchez Malin and Iona Wyn are all Trustees who resigned before 1st April 2020.

Martin Fleming, Julie-Anne Jamieson and Craig Hamilton were previously Trustees of Project Scotland, which merged with Volunteering Matters on 1 April 2021. Project Scotland have already published their report and accounts for the year ended 31 March 2021.

Executive Leadership Team

Paul Reddish	Chief Executive and Company Secretary
Valerie Brown	Head of Human Resources
Michael Joseph	Chief Finance Officer (until May 2021)
Angie Lees	Head of Finance (from June 2021)
Stephen Skeet	Director of Business Development and Impact (from April 2020)
Emma Thomas-Hancock	Director of Delivery
Graham Robertson	Director of Enterprise

Auditors, Bankers and Solicitors

Auditors

Saffery Champness LLP
Chartered Accountants
133 Fountainbridge,
Edinburgh, EH3 9BA

Principal bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Principal solicitors

Peter Kingshill & Co
7 Liverpool Terrace
Worthing
BN11 1TA

CHAIR OF COUNCIL REPORT

The last year has been an incredibly challenging 12 months for our volunteers, staff and trustees. In March 2020 the trustees had recently approved the findings from the staff-led strategic review and the restructuring of the organisation to ensure a more sustainable economic future. We were looking forward to the implementation of the new strategy with its focus on impact within local communities through volunteering and social action.

However, the emergence of COVID quickly changed the landscape. It was remarkable to witness how rapidly and positively everyone involved in Volunteering Matters' work – staff, volunteers and the people they support – responded to the crisis as different needs emerged within communities across England, Scotland and Wales.

The culture and new ways of working at Volunteering Matters – where people support one another to overcome challenges and deliver positive change – meant that the organisational response to the crisis was quick and agile, so projects were able to continue while new ones arose to meet the challenges of the pandemic. Examples of this approach are numerous, from moving projects online so care-experienced young people could continue to access support, creating online resources so people could volunteer safely, or developing new projects such as telephone befriending to support those who were shielding.

It has been a testament to the support of our partners and funders that existing funding could be reallocated to meet the needs of communities, expertise could be shared to meet emerging situations and new links made across sectors to put volunteering at the heart of the response to the crisis.

In addition to the COVID response, much work was done to embed the new organisational strategy, focussing on impact and place-based change, underpinned by new ways of working, a values-led approach and an ongoing commitment to equality, diversity, and inclusion. The merger with Project Scotland in April 2021 also meant we were able to welcome new trustees and colleagues, forming a new board of Trustees as well as a “new” charity. I'd like to thank those former Trustees – Peter Bailey, Satyen Dhana, Linda Holden, Raymond O'Hare and Katerina Rudiger and Fernando Sanchez Malin, Iona Wyn and David Wilkinson - who stepped down from both Volunteering Matters and Project Scotland at that time - for their commitment, time, expertise, and support of both organisations over the years.

And finally, on behalf of the Trustees, I would like to thank everyone involved in the Volunteering Matters family – volunteers, the staff team, funders, partners, and the communities we work with for all the effort, dedication and energy shown over such a difficult and challenging 12 months.

Thank you



Anne Heal
Chair of Trustees

CHIEF EXECUTIVE'S REPORT

It's been a quite incredible 12 months at Volunteering Matters in one of the most challenging crises I can remember in my lifetime.

Just prior to COVID, we had restructured and re-emphasised our commitment to working alongside communities.

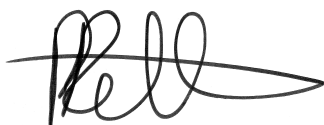
We absolutely believe in the force for change that volunteering and volunteers create, but to lead to lasting change this must be done through work within communities. Our new strategy focuses our work on our role and impact in a place, and how we can help support inequalities, improve health and well-being, and achieve other critical social outcomes alongside others in the communities where we operate.

We found ways of delivering services through innovative approaches, but we also adapted to what was emerging. That change of focus has enabled us to adapt and respond alongside the communities we operate within. Our volunteer drivers have become shoppers. The young people who were supported through our mentoring services became the volunteers and supported the isolated. The trust and relationships we have built in the places we are in, coupled with a strategy of stepping back and asking, 'what can we do to help' rather than 'we want volunteers to support with x', led to a movement of people everywhere supporting each other. The legacy of that is new volunteers, new relationships, and an opportunity to further our mission to work alongside communities.

Our presence has continued to grow and strengthen in many of the communities we operate in. And we've started reimagining our role post COVID. We have changed office space into community action spaces. We've forged new collaborations, like our key partnership with British Red Cross and others through the VCS Emergencies Partnership. Like our partnership with UK Youth to support the #iWill movement. And our partnership with NCVO, NAVCA and Association for Volunteer Managers to deliver a new ten-year Vision for Volunteering for England.

And we completed the merger with Project Scotland after the year end date, bringing two great volunteering charities together, in the process strengthening our relationships and opportunities to support people and communities in Scotland.

The pandemic has been awful. We've lost loved ones, and it's been a huge strain on so many people in so many different ways. I'm incredibly thankful to our staff and volunteers for their continued work in spite of these challenges, and all they continue to do to support all of those around them. It's been a twelve months we can all be incredibly proud of.

A handwritten signature in black ink, appearing to read 'P Reddish', with a long horizontal flourish extending to the right.

Paul Reddish, Chief Executive

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT

We are pleased to present our report for the year ended 31st March 2021. We started the year focusing on delivering the new strategy following the strategic review and restructure in 2019.

However, the onset of the COVID-19 pandemic meant that from early 2020 we had to adapt to the changing environment and the challenges it brought. Staff teams rapidly changed project delivery models whilst ensuring staff, volunteers and the people they support remained safe. We were able to pivot work to meet the emerging needs of communities while continuing to deliver existing programmes. Below is an overview of our impact as well as the annual accounts.

In 2020 we were in a year of transition in terms of how we measured and reported impact. We have become better at this in 2021 and early in 2022 will be providing a separate impact report that does more to describe the impact we have had on the communities and beneficiaries we support.

Our Aims and Objectives

At Volunteering Matters, we bring people together to overcome some of society's most complex issues through the power of volunteering. This builds stronger communities and enables everyone to thrive.

We work with local partners, turning local knowledge and energy into action and progress.

We work with volunteers to make a real difference on the issues they care about, from immediate responses to fostering long term change. We enable volunteers to use their local knowledge and life experiences and collectively we tackle complex issues.

In line with our overall strategy our projects support one or more of these areas:

- Reducing social isolation and loneliness
- Improving mental and physical health
- Building skills, confidence and opportunity
- Ensuring young people can lead change

Our Impact

In 2020 we were in a year of transition in terms of how we measured and reported impact. We have become better at this in 2021 and early in 2022 will be providing a separate impact report that does more to describe the impact we have had on the communities and beneficiaries we support.

The power of volunteer-led support during COVID-19

We are proud of the impact our volunteers made from 1 April 2020 to 31 March 2021 – the year since the outbreak of COVID-19.

Through Volunteering Matters, volunteering and social action enabled a wave of support for those most in need and their communities, helping them to navigate unprecedented challenges safely. Our volunteers also supported other partners within charities, the NHS and Local Authorities.

To achieve this, under the circumstances of the pandemic, we invested in new technology to enable online mentoring and befriending, we redeployed staff to speed up the recruitment and vetting of volunteers and to offer new volunteering solutions in poorly served communities. Volunteers were screened and given the necessary support and guidance on how to volunteer safely including access to PPE. To make sure people connected safely, we delivered training and resources online and made them available across the charity and voluntary sectors.

Our annual Impact Report will give more detail but a snapshot of our impact during 2020 to 2021 is given in the paragraphs below.

Key Statistics

- Across England, Scotland and Wales, 8,711 volunteers supported 20,769 people.
- Our volunteers led change in over 50 local communities, building on strong local partnerships.
- 1,443 volunteers from our Retired and Senior Volunteers Programme supported 3,542 people.
- 2,902 young people benefitted from the support of volunteers through our award-winning mentoring and befriending projects. Our volunteers consistently helped young people transform their lives – leading their own change.
- 1,727 people volunteered through our National Programmes supporting 2,232 people.
- Through our Employee Volunteering Programme, 932 volunteers supported 1,927 people in local communities.

Place-based approach

At Volunteering Matters we believe that communities have the power, knowledge and energy to improve themselves from within and that we are most effective when we work with people, not on their behalf – and we achieve this with local partners. Just a few of the examples of our place-based approach this year included:

The **Lifelines** project in **Brighton** brings together people both as volunteers running activities and as participants. Through activities and one-to-one support, older people stay more active and engaged with their communities. This volunteer-led activity was vitally important during the pandemic. At the beginning of lockdown, the staff and volunteer team quickly established ways for people to stay connected with isolated older community members by post, phone and online. Soon hundreds of isolated people were connected through group activities such as quizzes and Pilates to tailored befriending and shopping support. Last year 395 people aged 50+ engaged with the Lifelines project.

Youth Social Action supported potentially isolated families in **Ipswich**. Concerned about others' wellbeing and connectivity, Youth Social Action volunteers in Ipswich developed a fun and informative series of activity packs to support families at risk of social isolation. The young volunteers created the packs, focusing on the fictional characters Astra and Patrick who

demonstrated skills of resilience. The packs were targeted towards children and included links to local support networks for the families receiving the packs.

During the year, **1450 packs** were published in 5 different languages, reaching families from **13** different nationalities.

As an existing partner with Newport City Council, our team in **Wales** supported Newport Social Services to make sure local community needs could be met. With the Council acting as a referrer, volunteers, including many from our **Employee Volunteering Programme**, and the local **Rotary club**, provided vital support such as shopping and telephone befriending for those lonely or isolated, often signposting to other support where needed. In partnership with Newport City Council and Trussell Trust, volunteers delivered food parcels and IT Equipment to families struggling financially. In Newport, **77 volunteers** supported **227 people**, carrying out **1,996 tasks**.

In **Scotland**, Action Earth is an environmental grants scheme, funded by NatureScot, that supports volunteers across Scotland in improving local green spaces in some of the most deprived areas of Scotland. Funding is available to purchase plants, tools and materials with higher-level grants covering projects involving people with defined health and social needs. Action Earth projects have responded with great resilience during the pandemic, with excellent results that exceeded expectations in these difficult times.

121 projects have been run by 3,312 volunteers. 70 of these projects were health-related.

National Programmes with a Local Focus

Family Mentors and Family Supporters

Volunteering Matters have been actively working with families involved with social services for over ten years. Volunteers are trained and supported by staff, before providing tailored weekly support to the family, empowering the family to be self-sufficient, de-escalated from their child protection plans and reach goals set by the families. Family Mentors provide their support in **Southend, Greenwich** and **Waltham Forest**, with Family Supporters operating in **Edinburgh**.

This year **276** volunteers supported **912** people.

Our new **impact tracker**, introduced this year, tracks the outcomes of the families often focusing on Housing and Finance; Education, Training and Employment, and Health and Wellbeing

Grandmentors

Grandmentors is an intergenerational mentoring project for care-experienced young people (someone who has been in care i.e. looked after by a local authority). This group of young people are amongst the strongest and most resilient in any community. Through the skill of mentoring, care-experienced young people are supported to be autonomous, capable, and empowered adults.

243 care-experienced young people were supported by our volunteers during the year. This was in ten locations: **Islington, Milton Keynes, Bradford, Wiltshire, Hounslow, Brent, Wandsworth, Wolverhampton, Warwickshire** and **Suffolk**.

In 2020, we introduced a **new impact tracker** to closely track the outcomes for mentees.

5 of the mentees started **University** in **September 2020**.

Awards

This was another year where Volunteering Matters received many awards and extensive external acknowledgements, including:

- 2 volunteers, Rosemary Fletcher and Theresa McIvor, received MBEs in the New Year's Honours List
- Volunteer Team of the Year (Islington Grandmentors) – Jewish Volunteer Network
- Community Impact Award (Ipswich Museum and RESPECT Project)– 2021 International Museums and Heritage Awards
- High Sheriff's Outstanding Contribution to COVID response – Milton Keynes team

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. The Trustees have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Looking Ahead

In 2021-22 and beyond we are partnering with and investing in communities to overcome their challenges, tackling social isolation and loneliness, improving health, developing skills and opportunity and making sure young people can lead change. We will do this at scale, sharing our expertise and building partnerships to make an even bigger impact.

We will adopt new agile practices that will support this, allowing us to support communities to navigate through the COVID Pandemic. We will play a central role in supporting the UK Government and the Devolved Administrations in engaging the wider Third Sector to respond to the needs of communities post COVID-19

Our Fundraising Promise

At Volunteering Matters we strive for the highest standards in fundraising and want our supporters to be treated with honesty and respect. Volunteering Matters' Board of Trustees, Executive Leadership Team and staff are all committed to adhering to the Code of Fundraising Practice and are proud to be registered members of the Fundraising Regulator, which sets the standards of fundraising practices in the UK.

We do not employ third parties to fundraise on our behalf. We promise our supporters to keep their data secure and will never sell or pass it on to third parties. We comply fully with data protection controls as set out in the General Data Protection Regulation (GDPR) 2018.

We are committed to getting things right the first time and we take all complaints seriously. We have a formal complaints procedure and promise to make every effort to ensure all complaints are dealt with swiftly and appropriately. We are pleased to report that we received no complaints about our fundraising practices during our last financial year and will continue to adhere to the high standards our supporters expect from us.

FINANCIAL REVIEW

Results for the year

Our financial year runs from 1 April 2020 to 31 March 2021 and results were not materially impacted by COVID and the lockdown which ensued from the middle of March 2020. We adapted project delivery, with employees and volunteers working remotely as required and there was a move to online and telephone support along with issuing support packs and parcels to beneficiaries.

In a challenging environment, our overall operating performance led to a deficit of £346k. On a like for like basis this is a significant improvement on the overall performance in the previous year, when (after removing the surplus of £1,489k from the sale of a London property) we made a deficit of £1,356k. There were no property sales during this financial year.

Income from charitable activities increased to £4,865k from £4,050k in 2020 as a result of the focus on business development and income generation. The cost of raising funds increased to £424k from £271k in 2020 representing the increase in employees working within business development.

Actuarial gains were made on the valuation of the defined benefit pension scheme of £1,324k compared to the gain in 2020 of £1,406k. This annual revaluation does not impact cash flow as the employers contribution to the pension fund is renegotiated triennially at a sustainable level with the London Borough of Islington. This provides certainty in relation to cash flow planning through to 2024.

Looking forward

The sale of the Hornsey Road property has enabled us time to build and implement a new strategy. This has seen both a reduction in our core costs as we change to a new operating model and a change in our strategic approach to focus on the impact our volunteering programmes have in certain localities.

The pandemic has led to reductions in some of our income streams, including Employee Volunteering and Fundraising, but this has been mitigated to some extent by grants from the Job Retention Scheme, and our new approach to developing programmes has resulted in a significant number of new commissions and income in 2020-21 such as Youth Endowment funds and Youth VIP.

These early but important signs of progress in new strategic growth indicate that our new strategy is working. In our annual report and accounts for 2021/22, we will report further on our progress in building a sustainable delivery model for the charity and also a method for growing our impact and work in future years. We have already started this by merging with Project Scotland which is enabling us to expand and diversify our work in Scotland.

Reserves

The Trustees are responsible for ensuring that the reserves policy is fit for purpose and meets the requirements of the Statement of Recommended Practice for charity accounting (FRS 102) and in addition, have considered the Charity Commission's guidance on the matter specifically:

1. the reasons why the charity needs reserves;
2. what level of reserves the Trustees believe the charity needs;
3. what steps the charity is going to take to establish this agreed level;
4. what the appropriate arrangements are for monitoring and reviewing this policy.

The Reserves Policy is based on the level of reserves excluding three items:

- restricted reserves, which can only be spent to support particular projects;
- the pension deficit, because this deficit will not be payable in full for many years;
- the net book value of the properties held for the charity's own use, which is the Fixed Asset designated reserve.

The charity's available reserves at 31st March 2021 have therefore been calculated as follows:

	£000
Total Reserves excluding Pension Deficit Reserve	1,768
Less Restricted Funds	<u>(171)</u>
Unrestricted Reserves	<u>1,597</u>

The reserves policy of Trustees is to have 'free' reserves equivalent to six months of core operating costs or £1m, where 'free' reserves are unrestricted reserves less the net book value of fixed assets. Our 'free' reserves are currently £352k and therefore represent less than three months operating costs.

The reserves position is reviewed at the Finance and Audit Committee regularly and is approved annually at Council. In light of the positive changes in strategy and the change in risk profile, Trustees are reviewing the policy to ensure it remains appropriate.

The Trustees are satisfied that the current level of reserves is sufficient based on the assessment of going concern detailed below.

Risks

The main risk for the charity is not closing the operational deficit. This is being addressed through a combination of managing costs and securing more work, supported by the Director of Business Development and Impact. The early signs are that we are generating significant new opportunities, especially around COVID-19 relief work, but the impact of the pandemic has created many uncertainties which we are keeping under constant review.

The risk framework is reviewed by both the Audit Committee and Council, and the executive leadership team takes mitigating actions to address the key risks.

Going Concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow daily and the management accounts on a monthly basis, and the Finance and Audit Committee reviews the position each quarter.

Our income profile is changing, and we are becoming more agile in our management of costs, both of which are reducing our risk profile. This is evident from the Trustees assessment of the working capital forecast to December 2022 and the underlying assumptions, taking into account the impact of COVID and the uncertain operating environment. Trustees are of the view that these assumptions are prudent and that sensitivities of both income and costs have been adequately considered. Trustees also note that the charity has pension scheme liability and owns the Levy Centre in Hackney.

On this basis, the Trustees are of the view that the charity will remain a going concern for a period of at least 12 months from the date of the approval of these financial statements, which should therefore be prepared on that basis.

Structure, Governance and Management

Volunteering Matters was founded in 1962 as an unincorporated charity. The present legal structure is a charitable company limited by guarantee, incorporated on 10 July 1979 and registered as a charity in England and Wales on 22 February 1985. Volunteering Matters is also registered as a charity in Scotland.

Volunteering Matters was set up under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The objects of the charity are the advancement of citizenship and community development through the promotion of volunteering.

The Council of Management of Volunteering Matters (the Council) comprises the charity's Trustees and is responsible for the governance and establishment of operating policies across Volunteering Matters. The Council also has responsibility for the control and monitoring of the application of these policies. All the members of the Council are statutory directors and charity Trustees.

Volunteering Matters' will continue to recruit trustees using a process of open recruitment as trustees come to the end of their terms of office or wish to stand down. The chairs of committees are appointed based on interest and skills.

All trustees have the opportunity to attend a half-day induction session that covers the following areas:

- Roles and responsibilities of a trustee
- Key financial issues
- Re-brand, reputation and results
- Programmes, projects and operations
- Documentation and resources

In addition, they are issued with the NCVO handbook for trustees. In terms of training, trustees are given every opportunity to attend appropriate development sessions organised by charity accountants, solicitors, NCVO, NPC and other Organisations.

All trustees are offered the possibility of visiting Volunteering Matters projects and meeting staff and volunteers so that they have an opportunity to hear from programmes and projects local to that area.

The following Council committees meet regularly:

- The Finance and Investment Committee was renamed the Finance and Audit Committee in April 2021. The Finance and Audit Committee is responsible for ensuring that effective internal governance controls, processes and systems are in place, particularly in relation to legal, audit, financial and risk; as well as maintaining oversight of charity finances, financial strategy and investment policy.
- The Enterprise Committee was formed in April 2021. The current structure of this committee is under review however it is responsible for providing additional support to the commercial and entrepreneurial directorate of Volunteering Matters which currently includes our Employee Volunteering service and the trading subsidiary Get The Gen.

The day-to-day operational responsibilities for Volunteering Matters are devolved by the Council to the Chief Executive, the Executive Leadership Team and operational managers, who remain responsible to the Council for all aspects of performance.

The Executive Leadership Team comprises the Chief Executive, Director of Volunteering Delivery, Director of Business Development and Impact, Director of Enterprise, Head of Finance and Head of HR. Key management personnel comprise the Trustees and the Executive Leadership Team.

Remuneration policy

The pay structure in Volunteering Matters is currently based on the National Joint Council for Local Government (NJC) pay scales, which are used by local government and widely used by the voluntary and community sector. Due to the nature of our work we also use spot salaries when required for specialist roles.

Human Resources monitor our pay and reward strategy, remuneration reviews and all related policies. The Organisation is committed to an equal pay policy to ensure staff pay reflects the skills and experience required to perform their roles to a high standard.

Post Balance Sheet Event

Volunteering Matters merged with Project Scotland on 1 April 2021. All of the assets and liabilities of Project Scotland were transferred to Volunteering Matters who will continue to deliver the work and projects. This included the transfer of appropriate staff under TUPE.

Contingent Liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset.

Statement of Council's Responsibilities

The Council (which comprises the directors of Volunteering Matters for the purposes of Company law and the Trustees for the purposes of charity law) are responsible for preparing this 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 Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council members 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

The Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment

(Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Council are aware there is no relevant audit information of which the charitable company's auditors are unaware; and Council members have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

The Council 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.

Auditors

Saffery Champness LLP are our appointed auditors and have indicated their willingness to continue in that capacity.

The report of the trustees, which includes the strategic report, has been approved by the Council on 7 December 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Anne Heal', written in a cursive style.

Anne Heal, Chair of Council

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Volunteering Matters for the year ended 31 March 2021 which comprise the balance sheet, the statement of financial activities, cashflow 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 charitable company's state of affairs as at 31 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 regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as 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 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 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 15 to 16, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business.

We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Edinburgh Quay
133 Fountain Bridge
Edinburgh
EH3 9BA

Chartered Accountants
Statutory Auditors
Date: 13th December 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

		Unrestricted Funds	Restricted Funds	Total	Total
	Note	31 March 2021	31 March 2021	31 March 2021	31 March 2020
		£'000	£'000	£'000	£'000
INCOME FROM:					
Donations and legacies	2	169	67	236	383
Charitable activities	3	1,116	3,749	4,865	4,050
Property income	3	8	-	8	23
Furlough Income	3	93	-	93	-
Other income		-	-	-	1,489
TOTAL INCOME		1,386	3,816	5,202	5,945
EXPENDITURE ON:					
Raising funds		424	-	424	271
Charitable activities		1,183	3,941	5,124	5,540
TOTAL EXPENDITURE	4	1,607	3,941	5,548	5,811
Net (expenditure) / income for the year		(221)	(125)	(346)	134
Other recognised gains/ (losses):					
Actuarial gain on defined benefit pension schemes	16	1,324	-	1,324	1,406
NET MOVEMENT IN FUNDS		1,103	(125)	978	1,540
RECONCILIATION OF FUNDS:					
TOTAL FUNDS / (DEFICITS) B/F		(11,771)	296	(11,475)	(13,015)
TOTAL FUNDS / (DEFICITS) C/F	13	(10,668)	171	(10,497)	(11,475)

All the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

BALANCE SHEET
As at 31 March 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	8	1,245	1,233
		1,245	1,233
CURRENT ASSETS			
Debtors	10	1,307	655
Cash at bank and in hand		385	630
		1,692	1,285
CREDITORS: amount falling due within one year	11	(1,168)	(709)
NET CURRENT ASSETS	14	524	576
TOTAL ASSETS LESS CURRENT LIABILITIES			
Provision for liabilities	12	-	(13)
Net assets excluding pension liability		1,768	1,796
Defined benefit pension scheme liability	16	(12,265)	(13,271)
TOTAL NET (LIABILITIES)		(10,497)	(11,475)
THE FUNDS OF THE CHARITY:			
Restricted income funds	13	171	296
Unrestricted funds:			
Designated funds	13	1,245	1,227
General fund	13	352	273
Unrestricted funds excluding pension deficit reserve		1,597	1,500
Pension reserve	16	(12,265)	(13,271)
Total unrestricted accumulated deficits		(10,668)	(11,771)
TOTAL CHARITY ACCUMULATED DEFICITS	14	(10,497)	(11,475)

The financial statements were approved and authorised for issue by the Council on 7th December 2021 and signed on their behalf by:



Anne Heal, Chair & Council Member



Simon Judge, Chair of the Finance & Audit Committee

VOLUNTEERING MATTERS (COMPANY LIMITED BY GUARANTEE, NUMBER 1435877)

CASH FLOW STATEMENT

For the year ended 31 March 2021

	Total Funds 2021 £'000	Total Funds 2020 £'000
Cash flows from operating activities:		
Net cash used in operating activities	(189)	(1,363)
Cash flows from investing activities:		
Sale of property	-	2,026
Purchase of property, plant and equipment	(56)	-
Net cash used in investing activities	(56)	2,026
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(245)	663
Cash and cash equivalents at the beginning of the year	630	(33)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>385</u>	<u>630</u>

Reconciliation of cash flows from operating activities

	2021 £'000	2020 £'000
Net income / (expenditure) for the year (per the Statement of Financial Activities)	(346)	133
Adjustments for:		
Depreciation charges	44	86
Gain on sale of Hornsey Road property	-	(1,489)
Pension cost adjustment	318	186
(Increase) in debtors	(652)	(41)
Increase / (decrease) in creditors	447	(238)
Net cash used in operating activities	<u>(189)</u>	<u>(1,363)</u>

Analysis of cash and cash equivalents

Cash in hand	385	630
Total cash and cash equivalents	<u>385</u>	<u>630</u>

Movement on cash and cash equivalents

	2020 £'000	Cashflow £'000	2021 £'000
Cash in hand	630	(245)	385
Overdraft	-	-	-
	<u>630</u>	<u>(245)</u>	<u>385</u>

Prior year movement

	2019 £'000	Cashflow £'000	2020 £'000
Cash in hand	41	589	630
Overdraft	(74)	74	-
	<u>(33)</u>	<u>663</u>	<u>630</u>

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

1. ACCOUNTING POLICIES

Volunteering Matters is a company limited by guarantee. It is also a registered charity in England and Wales and Scotland. The registered office address is The Levy Centre, 18-24 Lower Clapton Road, London, E5 0PD

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Volunteering Matters meets the definition of a public benefit entity under FRS 102.

b) Going concern

The financial position is monitored carefully at a number of levels. The executive leadership team monitors cash flow on a daily basis and the management accounts on a monthly basis, and the Finance and Audit Committee reviews the position each quarter. Our income profile is changing, and we are becoming more agile in our management of costs, both of which are reducing our risk profile. This is evident from the Trustees assessment of the working capital forecast to November 2022 and the underlying assumptions, taking into account the impact of COVID and the uncertain operating environment. Trustees are of the view that these assumptions are prudent and that sensitivities of both income and costs have been adequately considered. Trustees also note that the charity has no debt and owns the Levy Centre in Hackney. On this basis the Trustees are of the view that the charity will remain a going concern for a period of at least 12 months from the date of the approval of these financial statements which therefore should be prepared on that basis.

c) Income

Donations and legacies are included in full in the Statement of Financial Activities when receipt is probable, there is entitlement to receipt and the amount can be reliably measured. Income from the provision of services is recognised in the financial statements during the period in which the service is carried out and therefore entitlement is earned.

Revenue grants are credited to the statement of financial activities when there is entitlement and probability of receipt and when the amount can be reliably measured.

Contract income is recognised in the financial statements to the extent that entitlement has been earned at the period end.

Donated services are recognised on the basis of the value to the charity, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Volunteering Matters is in the business of inspiring people to volunteer to change their communities. All the charity's projects are therefore dependent on volunteer input. However the value of volunteer time is not included in the financial statements.

d) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the funder. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charity's general purposes.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

e) Resources expended

Resources expended are recognised on the accrual basis in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Raising funds relate to the costs incurred by the charity in raising funds for the charitable work.

Charitable expenditure, including grants payable, includes all costs incurred in fulfilling the organisation's charitable objectives.

Grants payable are charged to the Statement of Financial Activities in the period in which the offer is conveyed to the recipient.

Support costs are wholly allocated to charitable activities. Support costs in relation to raising funds are considered to be immaterial.

Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and the strategic management of the charity's activities.

f) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price including VAT, exceeds £2,000.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Freehold property	2% straight line
Leasehold property	for the period of the lease
Plant and equipment	33.3% straight line

g) Operating leases

Rent payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

h) Pension benefits

The charity participates in a defined contribution pension scheme (Pensions Trust's Flexible Retirement Scheme). The charity's contributions are charged to the Statement of Financial Activities during the period in which the employee is an active member of the scheme. Participation within this scheme is available to all current and future employees.

The charity also provides retirement benefits to past and certain current employees through the Local Government Pension Scheme ('LGPS') operated by the London Borough of Islington. This is a defined benefit scheme which closed to new members on 3 April 2009 and to future accrual on 4 May 2015.

The LGPS is a funded scheme and the assets are held separately from those of the charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the Statement of Financial Activities are the current service costs and the costs of scheme benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

Actuarial gains and losses are recognised within the Statement of Financial Activities within Other recognised gains and losses.

i) Provisions

Dilapidations are valued using a management estimate of the cost to the charity of works required to repair each property to the required condition at the end of the respective leases.

j) Recoverable VAT

Volunteering Matters services are largely exempt from Value Added Tax meaning that it cannot reclaim most of the VAT it incurs. Expenditure is therefore charged inclusive of VAT to the activities that incur it. Any VAT that is recoverable is credited to the central finance function which reduces the costs of support services.

k) Financial instruments

Volunteering Matters only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement amount with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial assets include debtor balances except prepayments as shown at Note 10 to the financial statements. Financial liabilities refers to all creditor balances including deferred income, tax and social security as shown at Note 11 to the financial statements.

l) Key estimates and assumptions

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that the actual outcomes could differ from expectations. The key area of estimation and judgement is the discount rate used by the actuary in determining our pension liabilities as reported in Note 16 to these Financial Statements.

2. DONATIONS AND LEGACIES

	31 March 2021 £'000	31 March 2020 £'000
Individual and company donations (unrestricted)	169	73
Trusts and foundations (restricted)	67	310
	<u>236</u>	<u>383</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31 March 2021 £'000	31 March 2021 £'000	31 March 2021 £'000	31 March 2020 £'000
	Unrestricted	Restricted	Total	Total
National Grants including Big Lottery Fund and People's Postcode Lottery	750	107	857	1,054
Central Government		874	874	124
Local Government		2,027	2,027	1,510
European funding		108	108	274
Trusts and Foundations (grants)		573	573	537
Employee Volunteering	288	-	288	479
Other public sector	78	60	138	72
	<u>1,116</u>	<u>3,749</u>	<u>4,865</u>	<u>4,050</u>

INCOMING RESOURCES FROM NON CHARITABLE ACTIVITIES

	31 March 2021 £'000	31 March 2021 £'000	31 March 2021 £'000	31 March 2020 £'000
	Unrestricted	Restricted	Total	Total
Property Income	8	-	8	23
Furlough Income	93	-	93	-

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES FOR THE PRIOR YEAR

	31 March 2020	31 March 2020	31 March 2020
	Unrestricted	Restricted	Total
	£'000	£'000	£'000
National Grants including Big Lottery Fund and People's Postcode Lottery	600	454	1,054
Learning	-	-	-
Central Government	(2)	126	124
Local Government	1	1,509	1,510
European funding	0	274	274
Trusts and Foundations (grants)	9	529	537
Employee Volunteering	479	-	479
Other public sector	75	- 3	72
	<u>1,162</u>	<u>2,888</u>	<u>4,050</u>

4. TOTAL RESOURCES EXPENDED

	Staff costs (Note 7)	Other direct costs	Support costs	31 March 2021	31 March 2020
	£'000	£'000	£'000	£'000	£'000
Cost of raising funds	257	167	-	424	271
Charitable activities - investing in volunteering	3,168	1,087	869	5,124	5,540
Total resources expended	<u>3,425</u>	<u>1,254</u>	<u>869</u>	<u>5,548</u>	<u>5,811</u>

Staff costs and other direct costs are a mixture of restricted and unrestricted costs.

Restricted costs are made up of delivery projects cost. Unrestricted costs are made up of central staff costs and unrestricted project costs. Support costs are all unrestricted costs and comprise of operational costs, IT and other administrative costs. The total governance cost includes a proportion of support costs. The Auditors' fees is external audit fees only. Additional information in **Note 13**

TOTAL RESOURCES EXPENDED FOR THE PRIOR YEAR

	Staff costs (Note 7)	Other direct costs	Support costs	31 March 2020
	£'000	£'000	£'000	£'000
Cost of raising funds	239	32	-	271
Charitable activities - investing in volunteering	4,021	934	585	5,540
Total resources expended	<u>4,260</u>	<u>966</u>	<u>585</u>	<u>5,811</u>

5. GRANTS PAID

	Total 31 March 2021	Total 31 March 2020
	£'000	£'000
Action Earth Community based projects paid to organisations	30	44
	<u>30</u>	<u>44</u>
Grants paid to organisations during the year were paid as follows:		
Number of individual grants less than £2,000	113	170
	<u>113</u>	<u>170</u>

6. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	31 March 2021	31 March 2020
	£'000	£'000
Depreciation	44	86
Auditors' remuneration (see below):	26	28
Operating lease rentals: Property	46	58
	<u>46</u>	<u>58</u>

During the period no Council members (2020: 1) received reimbursement for travel & subsistence expenses (2020: £689). No remuneration nor payment for services was paid to any member of the Council (2020: none).

	31 March 2021	31 March 2020
	£'000	£'000
Auditors' remuneration (excluding VAT)		
External audit	26	28
Non audit services	-	-
Internal audit	-	-
	<u>26</u>	<u>28</u>

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

7. STAFF NUMBERS AND COSTS

	31 March 2021 £'000	31 March 2020 £'000
Wages and salaries	3,067	3,453
Redundancy/Compensation costs	29	69
Social security costs	283	309
Defined contribution pension scheme costs	75	82
Defined benefit pension scheme interest (note 16)	318	346
	<u>3,772</u>	<u>4,260</u>

Salaries and wages do not include any agency fees for 2021 (2020: £32,406).

Redundancy costs reflect the actual or anticipated costs of contractual payments due as a result of management decisions taken during the year. Redundancy costs are funded from project funds / the charity's own resources as appropriate on a case by case basis.

	2021 No.	2020 No.
Number of staff earning more than £60,000 in the accounting year:		
Number of employees receiving £90,001- £100,000	1	-
Number of employees receiving £70,001- £80,000	1	1
Number of employees receiving £60,000- £70,000	2	2
	<u>4</u>	<u>3</u>

The total earnings including pensions of the charity's key management personnel was £302,236 (2020: £376,751).

The average weekly number of employees, expressed as head count and as full time equivalents, during the period was:

	Head count		Full time equivalents	
	31 March 2021 No.	31 March 2020 2020 No.	31 March 2021 No.	31 March 2020 No.
Charitable activities	116	131	82	110
Fundraising	5	2	4	2
Governance	1	-	1	-
	<u>122</u>	<u>133</u>	<u>87</u>	<u>112</u>

8. TANGIBLE FIXED ASSETS

	Freehold & Long Leasehold properties £'000	Plant and equipment £'000	Total 2021 £'000
Cost			
At 1 April 2020	1,611	253	1,864
Additions*	-	56	56
Disposals/write offs	-	-	-
At 31 March 2021	<u>1,611</u>	<u>309</u>	<u>1,920</u>
Depreciation			
At 1 April 2020	384	247	631
Charge for the period	32	12	44
Disposals/write offs	-	-	-
At 31 March 2021	<u>416</u>	<u>259</u>	<u>675</u>
Net book value			
At 31 March 2021	<u>1,195</u>	<u>50</u>	<u>1,245</u>
At 31 March 2020	<u>1,227</u>	<u>6</u>	<u>1,233</u>

9. ASSOCIATE UNDERTAKINGS

Volunteering Matters has a one-third interest in a separate company, Outreach Solutions (formerly Digital Outreach Limited) (company number 06322789). Volunteering Matters' share of the assets of the company are not considered material to these financial statements and as such have not been recognised. Outreach Solutions Limited was dormant in the year.

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

10. DEBTORS

	31 March 2021	31 March 2020
	£'000	£'000
Trade debtors	1,002	300
Accrued income	305	355
	<u>1,307</u>	<u>655</u>

Volunteering Matters pursues an active debt recovery process and the majority of trade debtors and accrued income was received before the signing of the accounts.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2021	31 March 2020
	£'000	£'000
Trade creditors	87	17
Social security and other taxes	96	99
Accruals and other creditors	122	113
Deferred income (see below)	864	479
	<u>1,168</u>	<u>709</u>
<u>Deferred income</u>		
Balance b/f	479	566
Amount released to incoming resources	(479)	(566)
Amount deferred in the period	864	479
Balance c/f	<u>864</u>	<u>479</u>

Many of the charity's projects receive income in advance for periods which span financial year ends therefore requiring deferrals of income.

12. PROVISIONS FOR LIABILITIES

	31 March 2020		31 March 2021		31 March 2019		31 March 2020	
	Brought forward	(Decrease)	Carried forward	Brought forward	(Decrease)	Carried forward	Carried forward	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Dilapidations	13	(13)	-	17	(4)	13	13	
	<u>13</u>	<u>(13)</u>	<u>-</u>	<u>17</u>	<u>(4)</u>	<u>13</u>	<u>13</u>	

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

13. STATEMENT OF FUNDS

	31 March 2020					31 March 2021
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
SUMMARY OF FUNDS						
<u>Unrestricted funds:</u>						
Designated funds	1,227	62	(44)	-	-	1,245
General fund	273	1,324	(1,245)	-	-	352
Total unrestricted fund before pension deficit	1,500	1,386	(1,289)	-	-	1,597
Less pension deficit	(13,271)	-	(318)	-	1,324	(12,265)
Restricted funds	296	3,816	(3,941)	-	-	171
Total funds	(11,475)	5,202	(5,548)	-	1,324	(10,497)

Restricted funds represent balances, none of which are considered to be material individually, in respect of many on-going projects where funds are shortly to be applied, having been restricted by the terms of the funding agreements.

Unrestricted designated and general expenditure relates mainly to non-project costs.

STATEMENT OF FUNDS FOR PRIOR YEAR

	31 March 2019					31 March 2020
	Brought forward	Incoming resources	Resources expended	Transfers	Other gains/ (losses)	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
SUMMARY OF FUNDS						
<u>Unrestricted funds:</u>						
Designated funds	1,328	-	(101)	-	-	1,227
General fund	(335)	2,747	(2,139)	-	-	273
Total unrestricted fund before pension deficit	993	2,747	(2,240)	-	-	1,500
Less pension deficit	(14,491)	-	(186)	-	1,406	(13,271)
Restricted funds	483	3,198	(3,385)	-	-	296
Total funds	(13,015)	5,945	(5,811)	-	1,406	(11,475)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Unrestricted funds	Total funds
	£'000	£'000	£'000
Tangible fixed assets	-	1,245	1,245
Net Current Assets	171	353	524
Provisions, long-term liabilities and pension liabilities	-	(12,265)	(12,265)
Net assets at the period end	171	(10,645)	(10,497)

ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE PRIOR YEAR

	Restricted funds	Unrestricted funds	Total funds
	£'000	£'000	£'000
Tangible fixed assets	-	1,233	1,233
Net Current Assets	296	280	576
Provisions, long-term liabilities and pension liabilities	-	(13,284)	(13,284)
Net assets/(liabilities) at the period end	296	(11,771)	(11,475)

15. OPERATING LEASE COMMITMENTS

The charity's future minimum operating leases payments are as follows:

	2021	2020
	Land and buildings	Land and buildings
	£'000	£'000
Not later than one year	46	58
Later than one year but not later than five years	-	8
	46	66

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

16. PENSION CONTRIBUTIONS AND COMMITMENTS

Volunteering Matters is a member of the London Borough of Islington defined benefit pension scheme and also participates in the Pensions Trust's Flexible Retirement defined contribution scheme.

Employer contributions of £0k (2020: £160k) were made to the London Borough of Islington defined benefit pension scheme in the year. The contractual payments due for the year ending 31 March 2021 is nil.

The disclosures set out below are based on the financial data supplied by Mercers, the Actuary to the London Borough of Islington. A triennial actuarial valuation of the Scheme was carried out at 31 March 2019 and was rolled forward to 31 March 2021. This was updated at 31 March 2021 by a qualified actuary using assumptions that are consistent with the requirements of FRS102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The major assumptions used for the valuation were:

	2021	2020
	%	%
Discount rate	2.1	2.4
Inflation (CPI)	2.7	2.1
Salary increases	4.2	3.6
Increases to pension in payment	2.8	2.2
Life expectancy current pensioner age 65 male	22.8	22.7
Life expectancy current pensioner age 65 female	25.3	25.7
Life expectancy pensioner age 65 male 20 years' time	24.3	24.2
Life expectancy pensioner age 65 female 20 years' time	<u>27.2</u>	<u>27.6</u>

The Charity's Scheme value of assets, and the present value of liabilities and the expected rate of return at 31 March 2021 were:

	2021	2020
	Value of assets £'000	Value of assets £'000
Equities	27,428	24,417
Other bonds	5,485	4,841
Property	7,979	7,451
Cash/liquidity	2,493	210
Other	<u>6,483</u>	<u>5,178</u>
Total fair value of assets	49,868	42,097
Present fair value of funded benefit obligations	(62,133)	(55,368)
Deficit	<u>(12,265)</u>	<u>(13,271)</u>
Components of pension cost	2021	2020
	£'000	£'000
Interest on pension liabilities	(1,312)	(1,418)
Interest on plan assets	994	1,072
Total pension cost charged to expenditure (note 8)	<u>(318)</u>	<u>(346)</u>
Change in benefit obligation	2021	2020
	£'000	£'000
Benefit obligation at beginning of year	(55,368)	(59,811)
Interest on pension liabilities	(1,312)	(1,418)
Actuarial (losses)	(6,848)	4,396
Benefits/transfers paid	1,395	1,465
Benefit obligation at end of year	<u>(62,133)</u>	<u>(55,368)</u>
Change in plan assets	2021	2020
	£'000	£'000
Fair value of Scheme assets at beginning of year	42,097	45,320
Expected return on plan assets	994	1,072
Actuarial gains / (losses)	8,172	(2,990)
Employer contributions	-	160
Benefits/transfers paid	(1,395)	(1,465)
Fair value of Scheme assets at end of year	<u>49,868</u>	<u>42,097</u>
Statement of actuarial gains/(losses)	2021	2020
	£'000	£'000
Change in benefit obligation	(6,848)	4,396
Change in plan assets	8,172	(2,990)
Net gain	<u>1,324</u>	<u>1,406</u>

VOLUNTEERING MATTERS - Year ended 31 March 2021

VOLUNTEERING MATTERS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17. RELATED PARTIES

There were no related party transactions during the year.

18. Statement of Financial Activities for the period ended 31 March 2020

	Unrestricted Funds £'000	Restricted Funds £'000	Total to 31 March 2020 £'000
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	73	310	383
Charitable activities	1,162	2,888	4,050
Property income	23	-	23
Other income (profit on disposal of Hornsey Road)	1,489	-	1,489
TOTAL INCOME AND ENDOWMENTS	<u>2,747</u>	<u>3,198</u>	<u>5,945</u>
EXPENDITURE ON:			
Raising funds	271	-	271
Charitable activities	2,155	3,385	5,540
TOTAL EXPENDITURE	<u>2,426</u>	<u>3,385</u>	<u>5,811</u>
Net income/(expenditure) for the year	321	(187)	134
Other recognised gains/ (losses):			
Actuarial gain on defined benefit pension schemes	1,406	-	1,406
NET MOVEMENT IN FUNDS	<u>1,727</u>	<u>(187)</u>	<u>1,540</u>
RECONCILIATION OF FUNDS:			
TOTAL FUNDS / (DEFICITS) B/F	(13,498)	483	(13,015)
TOTAL FUNDS / (DEFICITS) C/F	<u>(11,771)</u>	<u>296</u>	<u>(11,475)</u>

19. Subsequent Events

Volunteering Matters merged with Project Scotland on 1 April 2021. All of the assets and liabilities of Project Scotland were transferred to Volunteering Matters who will continue to deliver the work and projects. This included the transfer of appropriate staff under TUPE.

20. Contingent Liability

As at the year end the charity has a contingent obligation of £200,000 payable to the Charity's defined benefit pension scheme in the event that the charity disposes of its leasehold property fixed asset

Thanks to our Funding Partners

Thanks to the generosity of our donors and funding partners, hundreds of communities have benefited from the impact and support of our volunteers.

Across the country we have created change and brought people together to unite and tackle the biggest issues they face. We've been able to remove obstacles, break down barriers and give people the power and confidence to make change happen. Both for themselves and the communities they live in. And the support received from our donors has been key.

We want to send our heartfelt thanks to all our wonderful individuals, trusts, foundations, national and community organisations whose generosity has enabled us to invest in volunteering projects that transform lives and communities.

Barclays	North Lanarkshire Council
BBC Children in Need	Peacock Charitable Trust
British Red Cross	Pembrokeshire Assoc'n of Voluntary Services
Bradford Metropolitan District Council	Pembrokeshire County Council
Charlton Athletic Community Trust	Players of People's Postcode Lottery awarding funds from Postcode Support Trust
City Bridge Trust	Police, Fire and Crime Commissioner for Essex
City of Edinburgh Council	Royal Borough of Greenwich Council
Corra Foundation	Royal British Legion
Dundee City Council	RS MacDonald Charitable Trust
Foundation Scotland	Scottish Government
Greater London Authority	Southend on Sea Borough Council
HMPPS	Stirling Council
Hollywood Trust	Stockton-on-Tees Borough Council
Interlink RCT	Suffolk Community Foundation
Ipswich Borough Council	Suffolk County Council
London Borough of Hackney	Tampon Tax Fund from Welsh Government
London Borough of Haringey	The Gannochy Trust
London Borough of Hounslow	The Jecda Foundation
London Borough of Islington	The National Lottery Community Fund
London Borough of Waltham Forest	The Robertson Trust
Masonic Charitable Foundation	Vestey Holdings
Milton Keynes Council	Walter Scott
National Grid	Welsh Government
NatureScot	Waltham Forest Council
NCS Trust	Wiltshire County Council
NESTA	Youth Endowment Fund
Newcastle Upon Tyne City Council	Youth Futures Foundation
Newport City Council	
Norfolk County Council	

And to all our wonderful individual donors, we couldn't do what we do without you, THANK YOU!