



Scottish Council for Voluntary Organisations (SCIO)

Report and Financial Statements

Year ended 31 March 2025

Charity No: SC003558

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

TRUSTEES ANNUAL REPORT (incorporating the Strategic Report)
YEAR ENDED 31 MARCH 2025

ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

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FOREWORD

This has been my first full year as Convener of SCVO. It's brought many challenges and lots of important work.

We're reporting on the second year of our strategic plan, Ambitious for SCVO, Ambitious for the Voluntary Sector. Members remain at the heart of what we do, and we have completed a big exercise to make sure that we have an up-to-date picture of our small, non-fee-paying members in particular. That has led to a drop in the overall number of members we have, but every day we see new members joining or previous members coming back to us. We've continued to improve our online resources, developing MySCVO so that you can engage with us in a way that suits you. I would encourage all members to make sure that as many of your board, volunteers and staff sign up to an SCVO account to really maximise your membership benefits.

As many voluntary organisations see their costs rising, I'm pleased to see more using our services such as IT, Payroll and HR. We offer an affordable, good quality alternative to support the running of your organisation. As funding for the sector becomes increasingly scarce, we are enhancing our Funding Scotland portal and promoting our Fair Funding Principles.

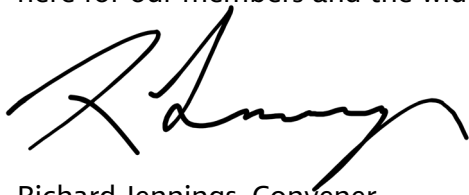
The Gathering in February 2025 was a real highlight for me and the 3,000 people who attended over the two days in Edinburgh. The huge variety of sessions, exhibitors and activities meant there was something for everyone and a palpable buzz as people made new connections or renewed old friendships.

Our research offer continues to be strong, with the Sector Stats and the Third Sector Tracker producing reliable and interesting information that has been picked up in the media to help people understand the context voluntary organisations are working in and the impact of different developments such as the rise in Employers' National Insurance Contributions and problems accessing banking services.

Our expertise on digital capacity-building and digital inclusion is widely recognised and we have done some great work on AI, cyber security and supporting specific marginalised groups, e.g. through the award-winning Digital Lifelines project.

We have been working closely with our sister organisations in the rest of the UK and Ireland to pool our influencing power and land our messages in different ways.

SCVO is no different to most organisations in our sector. We have been impacted by rising costs, financial uncertainty and developments in technology. But we are determined to be here for our members and the wider voluntary sector so you can thrive, not simply survive.

A handwritten signature in black ink, appearing to read 'Richard Jennings', with a stylized flourish at the end.

Richard Jennings, Convener

TRUSTEES' ANNUAL REPORT

The Trustees present the annual report together with the audited financial statements for the year ending 31 March 2025.

ORGANISATION

The Scottish Council for Voluntary Organisations (SCVO) is a Scottish Charitable Incorporated Organisation recognised by the Scottish Charity Regulator (OSCR), registration number SC003558. It is governed by its constitution which was adopted on 3 July 2014 (updated 4 December 2019 and 17 January 2025).

OBJECTIVES

SCVO is the national membership body for Scotland's voluntary sector. We are passionate about what the voluntary sector can achieve. Along with over 3,800 member organisations, we believe that charities, social enterprises, and voluntary groups make Scotland a better place.

Our vision is of a thriving voluntary sector at the heart of a successful, fair and inclusive Scotland.

And our mission is to champion the role of voluntary organisations in building a flourishing society, and to support them to do work that has a positive impact.

ACTIVITIES AND ACHIEVEMENTS

We are in the second year of delivering against SCVO's five-year strategy for 2023-28: *Ambitious for SCVO, Ambitious for the voluntary sector*.

The external environment remains challenging – the cost-of-living crisis continues to impact on both demand and supply of services and increases to Employers' National Insurance Contributions are a pressing concern for organisations that employ staff.

Our aim is to have an organisational structure that is fit for the future. And we remain determined to address the things that make our members' lives difficult so they can focus on the vital work they do for people and communities.

Delivering our strategic aims

Our members sit at the heart of what we do, informing and influencing our priorities. By joining SCVO, organisations access specialist information, support and advice on a range of key topics, learning and development opportunities and the opportunity to network and connect with others, all to help develop and build their capacity.

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We welcomed 695 new organisations into our membership community last year, including 563 small organisations that benefit from free membership and targeted support.

This year, we completed a full data cleanse of all our members, identifying those we can no longer contact and organisation that no longer exists. As a result, our total number of members fell by almost 1,000 at the end of the year. We view this positively as we are now confident that our membership numbers are a true representation of organisations that have actively opted in to being SCVO members and are actively engaging with us. We have a strong member community.

We also continue to support the wider sector through our work, balancing this where appropriate with exclusive activities to support SCVO members in particular.

SCVO's three strategic aims are:

- Being an authoritative voice for the sector
- Supporting a diverse sector
- Performing well to deliver success

Our work plans are designed to deliver against these aims.

Being an authoritative voice for the sector

SCVO engages with Scottish Government, UK Government, local government and policy makers to make sure policy and legislation are developed collaboratively and implemented in a way that best supports our sector.

For many years, we have pushed the Scottish Government to carry out a review of charity law and regulations. This year, they announced their intention to make significant changes to the audit threshold for charities, which will make a significant difference to smaller charities. We will continue to push for a wider review.

Also, this year, the UK Government proposed changes to Employers' National Insurance Contributions, which we estimated would cost medium and large employers in the Scottish voluntary sector at least £75 million. We lobbied members of the House of Commons and House of Lords, to make sure that they understood this impact, using stories from our members to bring this to life. We joined with Scottish Government to call for changes while also reminding Scottish Government of their own responsibilities as a funder. Now that the change has been introduced, we will continue to gather evidence that helps explain the impact on services and communities, and work to keep this issue on politicians' agendas.

We continue to campaign heavily for Fair Funding for the voluntary sector, as we know that funding is the issue that matters most to voluntary organisations across Scotland. Although we would like progress to be faster, we have seen some wins this year, with the Scottish Government committing to dozens of multi-year pilot projects, and progress being made in making sure that organisations knew about their Scottish Government funding going into the new financial year. More funding comes to voluntary organisations from councils than government, and we have worked with the Community Planning Improvement Board to

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produce a charter for councils and their community planning partners to take account of when working with the sector in their communities.

SCVO's Third Sector Tracker is a longitudinal research project. It has been running since summer 2021, building a valuable body of evidence focusing on the experiences and challenges of the sector across time and providing important evidence for our influencing work. The Tracker data for Spring 2025 has highlighted that 70% of organisations thought the increased National Insurance contributions would have a moderate to significant negative impact on their organisation's finances and 41% thought the same for their service or programme delivery.

In recognition of the value of the insight provided by the Tracker on this and many other issues affecting the sector, the Scottish Government, The National Lottery Community Fund and the William Grant Foundation have committed to fund a third phase of the work, which we believe will further improve understanding of the challenges the sector faces and the support it needs.

We also produced the Sector Stats 2024, updating the key figures on the size, shape and income of the voluntary sector in Scotland.

Findings from the Tracker and the Sector Stats have been used by the public sector, including Scottish Government, UK Government and SPICe briefings; by independent funders and by the sector itself, to support awareness-raising and influencing, and to support planning. They have also been picked up by the media, raising public awareness of the challenges facing the sector.

In addition to vital facts and figures, there are also amazing stories to be told about the work our sector does. In June 2024, we held our annual Scottish Charity Awards and celebrated the stories and work of 39 incredible voluntary sector finalists. Our People's Choice Award attracted 16,518 votes and 400 people joined us for the awards ceremony. And our media work achieved over 100 articles promoting the finalists in local and regional media.

We promote these and many more sector stories and insights through SCVO's online corporate communications channels which include SCVO e-bulletins and social media, and Third Force News, the daily news website and online monthly magazine.

The Third Force News website featured 873 news stories and 178 opinion pieces last year and attracted around 1 million hits. Around 5,000 readers are signed up for weekly bulletins and the online monthly magazine is read by over 2,000 SCVO members.

Third Force News is a respected news outlet in its own right, and a valued source of stories for other media. For example, an exclusive Third Force News story on the impact of the Taylor Swift concert in June 2024 on accommodation for homeless people in Edinburgh was picked up by national and international mainstream media, taking the story to a whole new audience.

We also engage proactively with the mainstream media to reach an even wider audience to help increase understanding of charities, community groups and social enterprises, why they exist and the difference they make. As a result, SCVO was featured in the media 587 times

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across the year: mostly online in web news articles (77%) but also in printed press (16%), on TV (7%/ 39 times) and once on radio.

Supporting a diverse sector

We offer high quality, trusted information, advice and services to support with all aspects of setting up and running a voluntary organisation. This year:

- 58,297 people accessed information on the SCVO website, visiting the site on over 95,945 different occasions. The most popular pages were governance information, a bank account comparison table and resources including templates, model policies and checklists
- New resources that we produced this year included: a new funding guide, a revamp of our digital check-up tool, a guide to low-cost digital, a digital strategy playbook and an updated Goodmoves salary guide
- 168,345 people used SCVO's Funding Scotland website, viewing more than one million pages over 307,885 sessions to seek out essential sources of funding for their work
- 283 organisations completed governance check-ups, while our Information Service responded to 1,054 information requests, and provided 53 one to one sessions.
- We also referred 121 SCVO members to our professional services partners for free legal advice, and 39 SCVO members for free tax and VAT advice
- We launched a new pro bono financial management advice service in June 2024, and referred 18 SCVO members to the service throughout the rest of the year
- To help promote cyber resilience, we published four bulletins and hosted 7 working groups; we also launched our new Cyber Catalyst Network, with 46 members signed up; and we shared over 250 copies of our new easy-to-use incident response template
- 1,500 learners took part in our formal training courses – either on one of SCVO's 75 training courses or as part of bespoke in-house training opportunities that we provided at 32 voluntary organisations - clocking up 6,900 hours of learning
- Our HR service supported 144 organisations, providing access to high quality and trusted information from in-house HR specialists. This included working with Creative Scotland and research partners. There is an Alternative (Tialt), to explore the challenges that the arts, screen and creative industries experience related to HR and being a good employer, and to document and share good practice
- 1,320 organisations advertised 4,805 charity and voluntary sector jobs on our Goodmoves recruitment website, with up to 90,000 job seekers viewing those roles online each month
- We supported 46 organisations with over 969 devices through our fully managed IT service
- We processed 89,682 payslips with £114.5 million in salaries for over 430 organisations through our payroll service
- We hosted 19 organisations as tenants in our Edinburgh, Glasgow and Inverness offices, and welcomed 16 organisations to use meeting rooms in the same buildings. And at the end of the year, we moved on from Mansfield Traquair Centre, where we were based in Edinburgh for over 20 years, to new space in Caledonian Exchange

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Our annual flagship event, the Gathering, took place in February 2025, featuring 75 workshops, 75 exhibition stands and welcoming 3,000 people over two days. It is free to attend and half of those who came along had never been to a Gathering before, allowing us to engage with new audiences.

We reached 430 more people with the Gathering Extra in March 2025, an online event with live input from special guests as well as curated, recorded content from eight of the most popular sessions from the in-person Gathering.

We also delivered: a Village Halls conference in Birnham in May 2024 for 94 in-person and 40 online delegates; a Trustees conference in Edinburgh in November 2024 for 115 delegates; and a 'Digitnext' conference in Glasgow in September 2024 bringing together over 100 digital pioneers to share inspiration and experiences.

We continued to deliver 'Growing Climate Confidence', an entry level resource to help organisations understand how to build a net zero action plan and approach to climate action that is relevant for their organisation. We have steadily built our reach in this area, with our website having more than 12,000 users and 31,000 page views. More than 200 organisations completed out climate scorecard, with another 60 still working through it.

We have also been working hard to expand our reach, influence and support around climate action, through in-person and online sessions. This included sessions from the Highlands to the Borders on carbon reduction and resilience for 140 individuals from 120 organisations, as well as sessions at the Gathering and SCVO's Village Hall conference. We also focused on funder and intermediary relationships, holding a successful roundtable with 21 of these organisations, attending further sub-groups, forums and webinars, and providing one-to-one support.

Nurturing relationships with trusted partners helps us to support the sector with knowledge and services we cannot provide ourselves. It also generates unrestricted income through commission agreements that we use to support our front-line services and provides valuable sponsorship for conferences and events that we offer free of charge to the sector.

Last year, we launched new partnerships with WBG, Coalition and Scotrail: WBG is our new pro bono partner that has provided financial management advice to 18 SCVO members so far; Coalition Control is a cyber security tool that we are able to offer as a free benefit and has been taken up by 32 members already; and we worked with Scotrail to match up SCVO members with underused ScotRail buildings for £1 a year, generating interest from 20 SCVO members.

We continue to offer a range of digital advice and support. This year we've completed 27 one-to-one sessions supporting organisations on their digital journeys and six 'deep dives' where we've worked in more depth with 52 participants from six organisations. AI has continued to be an emerging and challenging area where we've demonstrated leadership, with SCVO's AI expert taking part in 34 events and chairing the Community Advisory Group of the Scottish AI Alliance.

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Over the past year, SCVO has made significant strides in advancing digital inclusion across Scotland. A major milestone was the August 2024 launch of Scotland's Digital Inclusion Charter, a refreshed successor to the Digital Participation Charter. This new initiative provides a structured framework for organisations to design and deliver their contributions to digital inclusion. Since its launch, the Charter has gained 58 signatories from across the public, private, and voluntary sectors. SCVO and Standard Life hosted a high-profile launch event, supported by the Minister for Public Finance, Ivan McKee, to raise awareness and encourage collaborative action.

Through Connecting Scotland, five new place-based partnerships were funded, with North Lanarkshire and Grantown on Spey launching local digital inclusion projects. SCVO also facilitated a Community of Learning, bringing together frontline experts to share insights. Key issues raised include the need for more sustained funding, better private sector collaboration, and stronger integration of digital ethics and service design. SCVO is now working to develop a support network to enhance practitioner capacity across Scotland.

Digital Lifelines Scotland, a partnership between SCVO, the Digital Health and Care Innovation Centre, and Simon Community Scotland, received the 2025 Digital Inclusion Award from Holyrood Connect. This programme has supported 4,500 people at risk of drug-related harm, distributing thousands of devices and connectivity tools, and training nearly 500 staff and volunteers. The success of this programme underscores the power of targeted, collaborative digital inclusion work and sets the stage for an expanded, place-based approach in the coming year.

In total, SCVO's digital inclusion initiatives supported over 10,000 people this year through various funds, training programmes, and targeted support. Highlights include reissuing hundreds of returned devices, delivering over a dozen support sessions, and engaging with more than 80 organisations. SCVO also introduced new tools such as the digital skills check-ups and a place-based digital inclusion guide, reinforcing its role as a key enabler of digital participation in Scotland.

Our funding and grant management team has been primarily supporting the delivery of our digital inclusion programmes. With the pandemic-era programmes in their final stages, a decision has been taken by SCVO to wind down our funding and grant management service over the next year.

Performing well to deliver success

Being a good employer is critical to having a staff team that feels valued and is committed to fulfilling our aspirations for the sector. This year, we retained our Gold Investors in People Award, with improvements on most indicators. As part of the process, 80% of staff completed a survey where everyone who responded agreed that SCVO has a positive impact on society and that their behaviour reflects the organisation's values.

We have developed our appraisal process over recent years to incorporate a coaching approach, 360 feedback, and a stronger focus on skills, learning and development. In August 2024, we also introduced a formal 'six-month appraisal check-ins'; and our appraisal return rate in 2024 was the highest ever at 92%.

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A more targeted learning and development plan was created last year including technical and professional skills, learning related to equality, diversity and inclusion, and to our environmental commitments and also legal and compliance training (H&S, GDPR, Cyber Security).

We also continued to embed anti-racism across all aspects of our work with a group of staff co-producing anti-racism impact assessments with the wider staff team, and all new staff and trustees being offered anti-racism training delivered by Radiant & Brighter.

Initiatives we've worked on in 2024/2025 to support effective communication, engagement and staying connected include: two all-staff away-days a year to stay connected as an organisation, coaching skills sessions, equality, diversity, inclusion and belonging sessions, informal learning and wellbeing sessions, monthly team updates and our monthly Town Hall meetings.

The increase in hybrid and home working amongst our staff team and tenants, together with our commitment to net zero, prompted us to review our property strategy this year. We have decided that being property owners and landlords is financially too high risk for us. We are therefore in the process of selling our Glasgow office and have moved out of our Edinburgh office to a significantly smaller, modern rented space that we share with other charities. This move also helps us to reduce our carbon footprint.

Financial resilience is a struggle for most voluntary organisations at the moment, and SCVO is no different. We have a mixture of earned income and grant funding which means we are not reliant on a single source, however all of it is precarious and we are taking steps to try to reduce costs and generate income without compromising the quality of our work.

With a blend of home and office working now the norm, we are continuing to support staff with everything they need to work well remotely – this includes cyber security and DSE training, laptops, monitors and keyboards, and access to secure systems that keep them connected. We are also taking advantage of expertise within the staff team to raise awareness of the risks and benefits of AI and maintaining a positive culture while working remotely.

As a membership organisation, it is critical that we have high quality data on our members – not just for the person who signs up their organisation to be a member, but for as many of the organisation's staff, volunteers and trustees as possible, so they can make the most of the support and services we have to offer. This year, we completed a full data cleanse to make sure that all the member contact data in our CRM system is up to date. This helps us to create a more tailored, accessible experience for our members.

We have data from the people and have data from the people and organisations using SCVO's services, that indicates that our staff are performing well, with over 80% of people and organisations using our services and attending our webinars and events saying they would recommend SCVO.

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Carbon Reporting

SCVO is committed to becoming a net zero organisation, as well as supporting voluntary organisations to become more climate conscious.

We do not have vehicles or manufacturing processes to address, but through our properties and our actions as an organisation and as individual members of staff, we will make our best efforts to minimise our carbon footprint and promote environmental responsibility - our most significant environmental impact comes from buildings.

Our staff are very engaged in this topic and the majority have participated in The Week, a powerful online learning resource.

Since 2022 we have had in place systems to record and monitor Scope 1 (e.g. burning gas and oil) and Scope 2 (e.g. electricity) energy usage for SCVO's office buildings. Using this baseline data, we set the first of a set of five-year carbon budget plans to reduce SCVO's carbon emissions – our aim was to reduce our impact by 25% by the end of 2027/28.

Year	Annual targeted (tCO2e)	Targeted annual change against baseline (%)	Actual (tCO2e)	Change from baseline (%)
2022/23 - baseline	257			
2023/24	244	-5%	283	+10%
2024/25	231	-5%	158	-39%

We are ahead of where we expected to be due to a change of property strategy – SCVO is moving away from being an owner and landlord. Last year, we disposed of Brunswick House which accounted for most of the reduction; changes to renewable energy contracts and usage patterns have helped elsewhere.

Edward House and Fairways House are both in the process of being sold which will further reduce our impact.

Reducing the greenhouse emissions generated by Mansfield Traquair Centre is particularly difficult. It is a historically important repurposed church with a large open event space that does not easily lend itself to energy reduction initiatives so we did not renew our lease of it when it expired at the end of June 2025. To accommodate Edinburgh based staff we have leased space from April 2025 at Caledonian Exchange. It better fits our size and needs and has an Environmental Performance Certificate rating of A; this significantly lowers our carbon footprint.

Whilst we dispose of property, we continue to gradually improve buildings and ensuring our events are as green as possible.

The tCO2e emission data for Scope 1 and Scope 2 for energy usage in our buildings over the last two years is:

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	2023/24	2024/25	Change
	tCO2e	tCO2e	tCO2e
Brunswick House	84	0	-84
Edward House	54	47	-7
Fairways House	14	6	-8
Mansfield Traquair Centre	132	105	-27
Total	283	158	-126

Not all emissions generated by our buildings and activity can be avoided and some will need to be balanced by schemes that offset greenhouse gases entering the atmosphere.

We have some actions underway but are also developing a transition plan to meet and cope with our net zero targets.

Current actions include:

- Better understanding how, and when our staff and tenants use our buildings so that that control systems are set efficiently.
- Accelerating the replacement of office light fittings with more efficient LED fittings.
- When making repairs considering additional ways to reduce energy and improve insulation.
- Building relationships with specialists in the field of carbon reduction and energy efficiency to ensure we continue to be aware of new developments.
- SCVO internal Climate Change Group - looking at being climate confident and projects to green SCVO - electric transport initiatives, active travel, open and constructively challenging conversations.
- Procurement - purchasing goods and services that are low carbon and environmentally sustainable, cleaning products and chemicals that are ecofriendly.
- Circular economy - working towards being a zero-waste operation, in which we maintain, repair, upgrade, repurpose, reuse and recycle
- Making it easy for staff to work remotely and encouraging staff to reduce energy use in their home working space.

Longer term we aim to meet as a minimum the Scottish Government net zero by 2045 objective. The main element to accomplish this involves maintaining a smaller and alternative portfolio of accommodation - a process that is now well under way.

Challenges

We continue to grapple with disposing of owning property whilst transitioning out of being an owner and landlord.

Generating sustainable income continues to be a challenge, particularly in a context where public sector grant-making is short-term and subject to last minute changes. In particular, we

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want unrestricted, self-generating income to outweigh grant-funding. Added to this, increased National Insurance Contributions and inflation add pressure to our finances.

FINANCIAL REVIEW

Unrestricted income for 2024/25 is £5,528,486 (2024: £6,157,571). Restricted income stands at £447,297 (2024: £1,311,650). Total turnover for 2024/25 is therefore £5,975,783 (2024: £7,489,221).

Income comes from a diverse mix of sources; trading such as Goodmoves, Payroll Service, HR Service, Events, and Property Services, as well as grant-funded programmes from Scottish Government and independent funders. SCVO receives a mix of unrestricted and restricted income, all of which is directed towards fulfilling its strategic objectives.

Included in expenditure of £12,924,646 is £636,038 (2024: £3,211,023) of onward funding that was passed directly to voluntary sector organisations. There is also a dilapidation provision for our exiting of Mansfield Traquair Centre included, details of which are in Note 13.

This year SCVO is recording an overall deficit of £6,960,356 (2024: deficit £5,653,994). This split between an unrestricted activities deficit of £577,091 (2024: surplus £525,476) and a restricted activities deficit of £6,383,265 (2024: deficit £6,179,470). The restricted deficit is due to spend on projects from income that was received in prior years - £5.3m of expenditure relates to the Connecting Scotland programme, with another £870k related to Scottish Government digital inclusion projects. Income to cover the Connecting Scotland expenditure was recognised in 2020/21 and held in Restricted Reserves prior to spending.

Tangible fixed assets of £2,274,954 (2024: £4,624,245) primarily consist of properties. An impairment expense of £636,220 has been recognised in the year, accounting for the difference between the carrying value of Edward House and highest offer for its purchase received. A second impairment expense of £305,458 has been recognised in the year, accounting for the difference between the carrying value of Fairways House and a valuation completed in September 2025. In July 2024 SCVO redeemed all outstanding bank loans (2024: £1,871,911) – SCVO now has no loan debt. Net current assets are £5,702,346 (2024: £10,473,598), of which £4,088,080 (2024: £2,612,806) is available as free reserves as shown in note 18.

Total unrestricted funds are £5,229,067 (2024: £5,806,158). There is no longer a non-current liability for the pension recovery plan (2023: £113,965). The pension recovery plan liability has reduced due to an improvement in the September 2023 valuation, which affects payments from 1st August 2024. Further details can be found in Note 20.

Funds employed stand at £7,977,300 (2024: £14,937,656) of which £2,748,233 (2024: £9,131,498) is of a restricted nature. The trustees in considering their ongoing commitments have designated in total £173,057 (2024: £266,030) as detailed in note 14 to the financial statements.

Designated funds have been established to:

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- Avoid the necessity of realising fixed assets held for the charity's use or selling investments at an inappropriate state of the market.
- Equate to the unrealised appreciation of the value of its investments.
- Equate to tangible assets, other than property, required by SCVO to run its operations.

GRANT-MAKING

SCVO has in the past year obtained grants from Scottish Government and other funders for the purpose of providing onward grants to voluntary sector organisations. The grant-making policy for these onward grants is determined by the body providing the grant funding.

RESERVES

The trustees regularly review reserves, using the Reserves Policy to support both the Financial Strategy and the Strategic Plan. A risk-based approach is used to calculate an optimal level of reserves that looks at reliability of income, costs for re-organisation of activities, and specific liabilities. Amounts are included for risks we are aware of as well as contingencies to allow SCVO to cope with unexpected costs and opportunities. We principally hold reserves to:

- protect the continuity of SCVO's work against uncertain future income streams.
- provide the capital needed to finance investment in operations.
- provide funds to replace assets.
- to cover for specific liabilities and identifiable risks.
- to allow SCVO to respond to unexpected opportunities that can further mission.
- to allow SCVO to meet contractual obligations.

The trustees have set optimal reserves at £3,512,599 (2024: £2,703,598) which equates to approximately nine months unrestricted expenditure. As at 31 March 2025, the level of Free Reserves (defined as total general unrestricted funds, less tangible assets and excluding defined benefit pension obligations and long-term commitments) stands at £4,088,080 (2024: £2,612,806), thereby exceeding the optimal reserves target by £575,481. Trustees are considering ways to invest the surplus in income generating activities and support for the sector.

SCVO has designated reserves of £173,057 (2024: £266,030) and restricted reserves of £2,748,233 (2024: £9,131,948). The designated reserves are held to represent reserves that are not available for other activities since they have been used to purchase fixed assets and are not available unless the assets are disposed. Restricted reserves relate to income to be used in accordance with specific restrictions imposed by funders and therefore do not form part of general reserves.

The Reserves Policy is reviewed quarterly as part of our internal financial control systems.

RISK MANAGEMENT

SCVO is not a risk averse organisation. It recognises that to stay in the forefront of representing the sector's interests and developing services, calculated risks will need to be taken. The overall level of risk accepted may, if the risks materialise, lead to significant change and disruption in the organisation but should not place the organisation as a whole in jeopardy. The level of risk acceptable is considered against the benefit to the sector. High risk activities with little direct benefit to the sector are not to be undertaken even if there is a possibility of significant amounts of income generation.

SCVO operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks faced, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk; risk velocity is also considered when reviewing risks. Three key risks identified by the Trustees are:

- **maintaining enough income** - to maintain generation of unrestricted income SCVO invests in its services, development, and project work, while also looking to diversify income sources to reduce dependence on any single stream of money.
- **reputational risk** – to mitigate reputational risk SCVO invests in staff training, risk appraisal and evaluation. We also have systems in place to respond quickly to reputational risks that might arise.
- **Scottish Voluntary Sector Pension Scheme obligations** – as can be seen in Note 19, the scheme funding level on a technical basis has improved significantly with deficit recovery payments having ended in July 2024. However, the SVSPS is currently undergoing a benefits review that might add additional liabilities at the next recovery period. Key risks of being in the scheme are its last man standing status and although the scheme is largely derisked through Liability Driven Investments and interest rate and inflation hedging, there will be potential for future increases as long as SCVO remains in the scheme. Buying out of the scheme remains a difficult and unaffordable option.

PLANS FOR THE FUTURE

The strategic priorities from our Strategic Plan 2023-28 are:

- Valuing our members
- Being an authoritative voice for the voluntary sector
- Supporting a diverse sector
- Performing well to deliver success.

We are continually reviewing and improving our membership offer, including developing our My SCVO website user accounts to be more bespoke and accessible. As well as specific benefits like discounts and priority access, we are very mindful of our members as a community; to build a feeling of community across all the diversity of activities, scale and geography.

**TRUSTEES ANNUAL REPORT (incorporating the Strategic Report)
YEAR ENDED 31 MARCH 2025**

We have a particular focus on supporting our members and the wider sector to achieve net zero and mitigate against climate change as well as improving equality, diversity and inclusion across the sector. We are also mindful of contextual issues such as the cost of running an organisation, governance complexities and digital capacity building and continually enhance our offer to make sure it is up to date and goes beyond the basic minimum compliance requirements.

We will continue to raise awareness of the contribution the voluntary sector makes to Scotland's society and economy, pressing for parity of esteem with the public and private sectors. The Third Sector Tracker and other research will provide us with robust evidence to support our influencing work. We will continue to work with Scottish Government and other public sector bodies as well as with independent funders to press for implementation of our Fair Funding Principles and will contribute to the wider review of charity regulation and other significant Scottish Government policy and legislation to ensure the voice of the sector is heard.

We will work with our sister organisations in Wales, Northern Ireland and England to influence the incoming Westminster government on issues such as continuation of the UK Shared Prosperity Fund, respect for devolution, investment in public services, a fairer tax system for charities and more.

We know that voluntary organisations are facing significant challenges around financial resilience, staffing, volunteers, ever-changing technology and governance. So, it's a priority for us to make sure all our services are of a very high standard. We will build on the success of our work with partners on the Village Halls Handbook to tailor resources where possible.

Internally, we will be implementing our property strategy to minimise risk and optimise blended/hybrid working and pursuing progress on our journey to be a net zero organisation. Like all voluntary organisations, we will be focused on diversifying and maximising our income generation and being the best employer we can be.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

SCVO is governed by a board of up to eleven trustees, six of whom are elected from member nominations, with five co-options to bring in additional skills and knowledge. This year, three new trustees were elected on to the Board and one new co-opted trustee was appointed through an open recruitment process.

Prior to January 2025 the Board operated two sub-committees – The Strategic Resources Committee and the Strategic Development Committee. Following a governance review at the end of 2024 the board decided on disbanding the two sub-committees and amalgamating their business into Board meetings from January 2025. To accommodate the closing of the sub-committees the Board have made the following changes:

- Quarterly board meetings will be longer and in two parts: a strategic discussion and more formal governance and compliance matters.

TRUSTEES ANNUAL REPORT (incorporating the Strategic Report)
YEAR ENDED 31 MARCH 2025

- There will be two additional, shorter meetings. One in January to focus on the following year's budget and one in September with the external auditor to consider the annual report and financial statements.
- Short-life working groups will be established as needed to explore specific issues or develop proposals for Board to consider. These groups will include a mix of trustees, SCVO staff (not necessarily Senior Leadership Team), and external expertise where appropriate. Membership of working groups should help to maximise use of trustees' expertise and provide opportunities for learning.

Senior Leadership Team

Day to day operation of SCVO is delegated to the Chief Executive and the senior leadership team. SCVO's current Chief Executive is Anna Fowlie. The other members of the Senior Leadership Team are Tim Hencher, Strategic Director of Delivery, and David McNeill, Strategic Director of Development.

SCVO has a pay grading structure that covers all staff. Annual cost-of-living awards are made at the same rate across all pay grades.

CONTROLS

The Board of Trustees is SCVO's governing body and is responsible for the organisation's system of internal financial controls. The system of controls aims to give the Board reasonable (but not total) assurance that issues are identified as they arise and are dealt with appropriately in an effective, timely manner.

The three main objectives of the control system are:

- to ensure that the SCVO continues to maintain proper accounting records.
- to safeguard the organisation's assets from unauthorised disposal or use.
- to ensure the integrity and reliability of financial and operational information used for decision making within the organisation and for external publication.

SCVO's internal controls include:

- a strategic plan and an annual budget approved by the Trustees.
- regular consideration by the Trustees of financial results, variance from budgets, non-financial and performance indicators, including regular updates on the aims of the Strategic Plan.
- delegation of authority and segregation of duties.
- identification and management of risks.

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCVO)

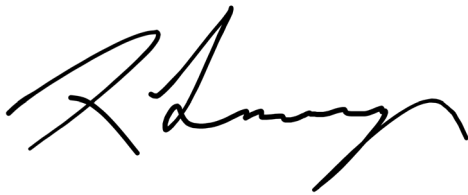
TRUSTEES ANNUAL REPORT (incorporating the Strategic Report)
YEAR ENDED 31 MARCH 2025

AUDITOR

It is the Trustees' assessment that all necessary steps have been taken to ensure that the auditor has been made aware of all relevant audit information and as such there is no relevant audit information which the auditor has not been made aware of.

The Trustees would like to thank staff, members, and supporters of SCVO for all that has been achieved in a year that has seen some challenges and significant changes.

Approved on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Richard Jennings', written in a cursive style.

Richard Jennings (Convener)

Date: 7th October 2025

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The trustees during the year and their date of election, or appointment if co-opted, were as follows:

Elected Trustees	Elected	Re-elected	Resigned
Debbie Adams	7 December 2021	10 December 2024	
Ashley Ryan	7 December 2021		10 December 2024
Gillian Reid-McKee	6 December 2022		
Barry Sillers	6 December 2022		8 January 2025
Kim Atkinson	6 December 2022		
Bushra Iqbal	5 December 2023		16 August 2025
Sue McKillop	10 December 2024		17 March 2025
Ben Supple	10 December 2024		
Ewan Hay	9 January 2025		25 th August 2025
Co-opted Trustees	Appointed	Re-appointed	Resigned
Sean Duffy	25 July 2018	7 December 2021	10 December 2024
Jonathan Christie	7 June 2022		
Richard Jennings (Convener)	5 December 2023		
Farha Jamadar (Treasurer)	1 February 2024		
Steven Marwick	10 December 2024		

Key Management Team

Chief Executive
Strategic Director of Delivery
Strategic Director of Services

Anna Fowlie
Tim Hencher
David McNeill

Registered Office

Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8EG

Bankers

SCVO's main bank accounts are held at:

The Royal Bank of Scotland plc
36 St. Andrew Square
Edinburgh
EH2 2AD

Auditor

CT Audit Limited
61 Dublin Street
Edinburgh
EH3 6NL

Charity Registration Number

SC003558

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

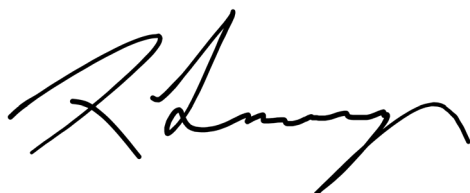
Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees are required to prepare financial statements that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the charities SORP 2019.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Account (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.



Richard Jennings (Convener)

Date: 7th October 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

Opinion

We have audited the financial statements of Scottish Council for Voluntary Organisations for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 page 18, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We 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 is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and the trustees;
- review of minutes of trustee meetings throughout the period;
- specific consideration was given to transactions with related parties; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

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

Use of our report

This report is made exclusively to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's 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 charity, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy M Chittleburgh CA (Senior Statutory Auditor)

For and on behalf of CT Audit Limited

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh,

EH3 6NL



29 October 2025

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES AS AT 31 MARCH 2025

		Unrestricted Funds	Restricted Funds	Total Funds 2025	Unrestricted Funds	Restricted Funds	Total Funds 2024
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		1,148,444	-	1,148,444	1,438,054	-	1,438,054
Charitable activities		3,994,669	447,297	4,441,966	4,144,277	1,331,650	5,475,927
Investments		385,373	-	385,373	575,240	-	575,240
Total	3	5,528,486	447,297	5,975,783	6,157,571	1,331,650	7,489,221
Expenditure on:							
Charitable activities:							
Services to the sector		4,852,300	18,459	4,870,759	5,014,938	342,896	5,357,834
Development and capacity building		1,241,784	6,812,103	8,053,887	590,948	7,168,224	7,759,172
Employment initiatives		-	-	-	26,181	-	26,181
Total	4	6,094,084	6,830,562	12,924,646	5,632,067	7,511,120	13,143,187
Net income/(expenditure)	7	(565,598)	(6,383,265)	(6,948,863)	525,504	(6,179,470)	(5,653,966)
Pension revaluation movement		(11,493)	-	(11,493)	(28)	-	(28)
Net income/(expenditure) after pension movements	7	(577,091)	(6,383,265)	(6,960,356)	525,476	(6,179,470)	(5,653,994)
Fund balances brought forward at 1 April		5,806,158	9,131,498	14,937,656	5,280,682	15,310,968	20,591,650
Fund balances carried forward at 31 March	16	5,229,067	2,748,233	7,977,300	5,806,158	9,131,498	14,937,656

All amounts relate to continuing activities.

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

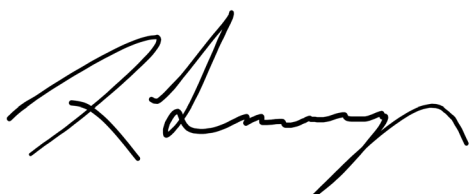
The notes on pages 26 to 48 form part of these financial statements

BALANCE SHEET AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed Assets			
Tangible assets	9	2,274,954	4,624,245
Current Assets			
Debtors	10	552,800	1,216,596
Cash at bank and in hand		9,907,265	12,221,213
		<u>10,460,065</u>	<u>13,437,809</u>
Creditors: amounts falling due within one year	11	<u>(4,757,719)</u>	<u>(2,964,212)</u>
Net current assets		<u>5,702,346</u>	<u>10,473,597</u>
Total assets less current liabilities		<u>7,977,300</u>	<u>15,097,842</u>
Creditors: amounts falling due after more than one year		-	-
Provisions	12		(160,186)
Total net assets		<u>7,977,300</u>	<u>14,937,656</u>
Funds employed:			
Restricted funds	13	2,748,233	9,131,498
Unrestricted funds			
Designated funds	14	173,057	266,030
Pension fund	15	(11,522)	(129,802)
General funds	16	5,067,532	5,669,930
Total funds	17	<u>7,977,300</u>	<u>14,937,656</u>

The financial statements were approved and authorised for issue by the Board 7th October 2025.

Signed on behalf of the Board of Trustees



Richard Jennings (Convener)

The notes on pages 26 to 48 form part of these financial statements

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2025**

	2025	2024
	£	£
Cash flows from operating activities:		
Net income for the year	(6,960,356)	(5,653,994)
Adjustments for:		
Depreciation charges	132,267	189,522
Impairment Expense	941,678	397,989
Provisions	(160,186)	160,186
Dividends, interest, and rents from investments	(385,373)	(575,240)
(Gain)/ loss on disposal of fixed assets	10,564	-
(decrease) in debtors	663,796	284,774
increase in creditors	3,665,418	(733,948)
Interest paid	25,171	132,367
Net cash provided used by operating activities	(2,067,021)	(5,798,343)
Cash flows from investing activities:		
Dividends, interest, and rents from investments	385,373	575,240
Purchase of property, plant, and equipment	(35,218)	(48,719)
Proceeds from disposal of property, plant, and equipment	1,300,000	-
Net cash used in investing activities	1,650,155	526,521
Cash flows from financing activities:		
Repayments of borrowings	(1,871,911)	(208,934)
Interest paid	(25,171)	(132,367)
Net cash used in financing activities	(1,897,082)	(341,301)
Changes in cash and cash equivalents in the year	(2,313,948)	(5,613,124)
Cash and cash equivalents at the beginning of the year	12,221,213	17,834,337
Cash and cash equivalents at the end of the year	9,907,265	12,221,213

The notes on pages 26 to 48 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

1. Accounting policies

a) General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. They comprise the financial statements of Scottish Council for Voluntary Organisations (SCVO).

SCVO is a Scottish Charitable Incorporated Organisation (SCIO). It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC003558. The address of the registered office and charity registration number are given on page 15. The principal activities of the charity are discussed in the trustees' report.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) '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)', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scottish Council for Voluntary Organisations meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

c) Going Concern

The Trustees have reviewed SCVO's financial position and consider that there are sufficient resources to manage any operational financial risks, and that it is reasonable to expect that SCVO will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

d) Income

Donations and Legacies - donations received in the year are charged to the Statement of Financial Activities when SCVO becomes entitled to the income, its receipt is probable, and the amount can be measured reliably. Donated goods and services are brought into the accounts as income at their expected cost, or a reasonable estimate thereof, with an equivalent amount reflected under expenditure when SCVO has control over the item.

Charitable activities - SCVO charges for services as part of its charitable activities and income is recognised on a receivable basis. Such income is included within income from charitable activities.

Income from membership subscriptions – membership fees are non-refundable with income recognised at the point of joining and at times of renewal.

Income from grants - where related to performance and specific deliverables, is accounted for as SCVO earns the right to consideration by its performance.

Investment income - interest and investment income is included within the Statement of Financial Activities when receivable by SCVO.

Where grants are received specifically to provide for a fixed asset the income is recognised in the Statement of Financial Activities in the year of receipt. An amount equal to the grant is transferred to a designated fund which is then reduced over the useful economic life in line with the depreciation charged.

e) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Where costs cannot be directly attributed to activities, they have been allocated on a basis consistent with use of the resources.

Grant expenditure is recognised once the offer of grant has been accepted by the recipient.

f) Direct Costs

Direct costs are charged to the charitable activities and support costs have been allocated to all activities on the basis of the number of full-time equivalent staff working directly on an activity. Where a member of staff works on more than one activity the costs are allocated on the basis of time spent on each activity.

g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed immediately (subject to penalty).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

h) Financial Instruments

SCVO only enters into basic financial instruments. Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

i) Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

j) Termination Benefits

Termination benefits are accrued by the charity when there is a constructive obligation to pay them. This is normally via a contractual, legislation or other agreement with employees or their representatives.

k) Tangible Fixed Assets and Depreciation

Fixed assets are initially recorded at cost. Freehold land is not depreciated. Assets in the course of construction are not depreciated until the asset is fully completed and ready for use. Depreciation is provided on all completed assets that are capitalised. It is charged on a straight-line basis over the expected life of the asset after taking into account the estimated residual value. The following expected lives are assumed:

- Computer equipment - 3 to 5 years
- Fixtures and fittings - 5 to 10 years
- Leasehold improvements - 20 years (or term of lease if less)
- Freehold buildings - 50 years

SCVO's capitalisation policy is to capitalise individual items or grouped items over £5,000.

l) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

m) Leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term. SCVO rents desk and floor space under formal leases. The rental income is recognised within membership services on an accruals basis when the organisation is entitled to that income.

n) Pensions

SCVO contributes to an Aegon defined contributions pension arrangement for staff. The employer makes a maximum contribution of 9% of the employee's gross salary to the scheme. SCVO also runs a pension salary sacrifice scheme for its staff. SCVO makes additional contributions towards the Scottish Voluntary Sector Pension Scheme funding shortfall as required by the scheme's pension recovery plan. This fund is now closed to new members and further accruals, or any further contributions from existing members. Further details on the defined benefit scheme can be found at note 19.

o) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of financial activities.

2. Judgement and estimates

The preparation of these financial statements has required the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts. The areas involving a degree of judgement significant to the view given by these statements are:

- actuarial assumptions in respect of the pension scheme. In making these assumptions, the trustees rely on figures provided by The Pension Trust. The assumptions are shown in note 19.
- the useful economic lives of tangible fixed assets are assessed as to whether there are indicators of impairment. The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets which are re-assessed annually taking into account factors such as physical condition, maintenance, and obsolescence.

a) Recognition of Grant Revenue

Grant revenue is recognised when we have established entitlement, probable receipt, and reliable measurement. In practice, this is satisfied in most cases by the acceptance of a formal grant offer letter.

b) Recognition of grants payable

Grants payable are recognised once there is an obligation to make the payment, the payment is probable, and the payment can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

3. Income

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £
Income from donations and legacies			
Scottish Government Core Grant	962,000	-	962,000
Charities Aid Foundation & Other	186,444	-	186,444
	1,148,444	-	1,148,444
Income from charitable activities			
Scottish Government Grants:			
• Infrastructure (Milo)	-	140,000	140,000
• Digital Participation- Core Scottish Government Grant	308,000	-	308,000
• Village Halls	-	10,000	10,000
Other Grant Income	8,087	288,547	296,634
Membership services	3,283,101	-	3,283,101
• Other Earned Income:			
• Client Fees	67,428	-	67,428
• Events & Sponsorship	193,962	8,750	202,712
• Other	134,091	-	134,091
	3,994,669	447,297	4,441,966
Income from investments	385,373	-	385,373
Total Income	5,528,486	447,297	5,975,783

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

3. Income (continued)

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Income from donations and legacies			
Scottish Government Core Grant	962,000	-	962,000
Charities Aid Foundation & Other	471,054	-	471,054
Donations	5,000	-	5,000
	1,438,054	-	1,438,054
Income from charitable activities			
Scottish Government Grants:			
• Infrastructure (Milo)	-	140,000	140,000
• Community Capacity & Resilience	-	270,000	270,000
• Digital Participation-Charter Fund	-	100,000	100,000
• Digital Participation- Core Scottish Government Grant	308,000	-	308,000
• Digital Participation- Local Carer's Organisations	-	(9,700)	(9,700)
• Cyber Readiness 2022/23	-	195,150	195,150
• Community Learning & Development- Practitioner Devices	-	465,000	465,000
Other Grant Income:	34,291	171,200	205,491
• Employability Work- Local Authorities	7,829	-	-
• Membership services	3,378,157	-	3,378,157
• Other Earned Income:			
• Client Fees	130,377	-	130,377
• Events & Sponsorship	199,951	-	199,951
• Other	85,672	-	85,672
	4,144,277	1,331,650	5,475,927
Income from investments	575,240	-	575,240
Total Income	6,157,571	1,331,650	7,489,221

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

4. Expenditure

	Activities undertaken £	Grant funding of activities £	Support costs (Note 5) £	2025 Total £
Charitable activities				
Services to the sector	4,070,917	-	799,842	4,870,759
Development and capacity build	7,143,193	636,038	274,656	8,053,887
	11,214,110	636,038	1,074,498	12,924,646

4. Expenditure (continued)

	Activities undertaken £	Grant funding of activities £	Support costs (Note 5) £	2024 Total £
Charitable activities				
Services to the sector	4,224,073	329,286	804,474	5,357,833
Development and capacity build	4,477,593	2,877,177	404,402	7,759,172
Employment initiatives	21,621	4,560	-	26,181
	8,723,287	3,211,023	1,208,876	13,143,186

SCVO paid out Development and Capacity Building grants of £636,038 relating to four projects (Connecting Scotland £178,296, Digital Inclusion for Mental Health £307,732, Digital Participation £5,000, Digital Lifelines £145,010) These payments were made to 30 separate organisations for delivery of these projects, none of these grants are individually material and all are onwads grants under the terms of funding.

5. Support Cost Allocation

	Accommodation £	Finance £	HR £	ICT £	Governance £	2025 Total £
Services to the sector	225,641	113,830	126,671	295,281	38,419	799,842
Development and capacity building	77,482	52,280	43,497	101,397	-	274,656
	303,123	166,110	170,168	396,677	38,419	1,074,498

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

	Accommodation £	Finance £	HR £	ICT £	Governance £	2024 Total £
Services to the sector	353,885	98,615	101,849	217,696	32,429	804,474
Development and capacity building	177,895	65,875	51,198	109,434	-	404,402
	531,780	164,490	153,047	327,130	32,429	1,208,876

Support costs are apportioned to charitable activities based on staff numbers and level of activity.

Governance costs are broken down:

	2025 £	2024 £
Audit & Assurance	20,128	19,020
Board meetings	4,030	6,444
Board expenses	5,339	945
Board recruitment	8,922	6,020
	38,419	32,429

Board expenses include costs associated with attending Board meetings, an Away Day, and SCVO events.

6. Staff Costs

	2025 £	2024 £
Salaries	3,373,139	3,176,428
Termination payments (redundancies)	55,365	(19,771)
Social security costs	342,686	332,989
Other pension costs	545,598	523,670
	4,316,788	4,013,316

The average monthly number of employees during the year was 85 (2024: 84). £55,365 was accrued in 2024/25 relating to two voluntary redundancies agreed in March 2025. These were paid out in April 2025.

The numbers of staff whose emoluments, including termination payments, for the year fell in the following bands were:

	2025 Number	2024 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001- £90,000	-	2
£90,001- £100,000	2	-
£100,001- £110,000	-	-
£110,101- £120,000	2	1

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

Key Management Remuneration

Key management include those individuals who have authority and responsibility for planning, directing, and controlling the activities of the charity. The key management personnel of the charity are listed on page 13. The total remuneration paid for services (including employer pension contributions and NIC's) was £372,100 (2024: £353,248)

7. Net income for the year

Net income is stated after charging:

	2025	2024
	£	£
Depreciation	132,267	189,522
Auditor's remuneration - statutory audit services (including unrecoverable VAT)	20,128	19,020
Indemnity insurance	4,794	4,577
Operating lease rentals - equipment	22,509	20,836
- property	19,542	19,542

8. Related party transactions

Trustees are reimbursed for expenses incurred on travel and subsistence in the performance of their duties. Reimbursements to Trustees amounted to £4,991 (2024: £865). No remuneration was received by Trustees in 2025 (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

9. Fixed Assets

Tangible Assets	Land & Buildings £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2024	6,518,113	381,356	395,869	7,295,338
Additions during year	-	35,215	-	35,215
Impairment	(941,678)	-	-	(941,678)
Disposals	(2,397,180)	-	(289,460)	(2,686,640)
At 31 March 2025	3,179,255	416,571	106,409	3,702,235
Depreciation				
At 1 April 2024	2,075,922	288,693	306,476	2,671,091
Charge for year	65,510	52,514	14,243	132,267
Disposals	(1,097,179)	-	(278,900)	(1,376,076)
At 31 March 2025	1,044,253	341,207	41,819	1,427,279
Net book amount				
At 31 March 2025	2,135,002	75,364	64,590	2,274,954
At 31 March 2024	4,442,191	92,664	89,393	4,624,245

Included within Land and Buildings is land with a cost of £967,540 (2024: £1,452,540), that has not been depreciated.

An impairment expense of £636,220 has been recognised in respect of Edward House. The impairment figure is the difference between the offered sale price and carrying value of Edward House and associated fixtures and fittings at 31st March 2025.

An impairment expense of £305,458 has been recognised in respect of Fairways House. The impairment figure is the difference between the carrying value of the building and a valuation completed in September 2025.

10. Debtors

	2025 £	2024 £
Due within 1 year:		
Outstanding grants	20,000	-
Prepayments	102,422	200,162
Other debtors	430,378	1,016,434
	<u>552,800</u>	<u>1,216,596</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

11. Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans	-	1,871,911
Accruals	4,237,650	312,437
Deferred income	56,674	51,415
Other taxes and social security costs	145,475	159,545
Pension costs	50,993	45,496
Other creditors	255,405	393,606
Pension recovery plan	11,522	129,802
	<u>4,757,719</u>	<u>2,964,212</u>
Deferred Income		
Opening balance	51,415	23,197
Released in year	(51,415)	(23,197)
Deferred income for year	56,674	51,415
	<u>56,674</u>	<u>51,415</u>

Deferred income relates to five items of income received in 2024/25 which relate to work or contracts occurring in 2025/26.

The balance of bank loans was redeemed in July 2024. The bank loans were secured on Brunswick House, Fairways House, and Edward House. There were two loans, both repayable in instalments; both loan terms were for 10 years.

Loan repayments on one loan commenced in August 2012. Interest was repayable on this loan at a rate of 1.5% above the bank's base rate, subject to a minimum charge of 2.5% per annum. This loan was redeemed in full on the sale of Brunswick House on 31st May 2024.

Loan repayments on the other loan commenced in August 2016. Interest is payable on this loan at rate of 2.5% above the bank's base rate, subject to a minimum charge of 3.5% per annum. This loan was fully redeemed on 2 July 2024.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

12. Provisions

Dilapidations – Mansfield Traquair Centre

	2025 £	2024 £
Opening balance	160,186	-
Released in year	(8,925)	-
Provision made in year	48,739	160,186
Transfer to accruals	(200,000)	-
	-	160,186

A dilapidation provision was made in 2023/24 for the potential end of lease obligations expiring in 2025/26. This has been increased in line with up-to-date estimates to £200,000. Upon agreement this has been crystallised and transferred to accruals.

13. Restricted Funds

The restricted funds relate to specific projects. Where the funding is in the form of a government grant, the nature and amount of the grant is disclosed below.

Restricted Funds: movements in the year

	1 April 2024 £	Income £	Expenditure £	31 March 2025 £
Capital Grants	1,140,904	-	(18,459)	1,122,444
Digital Participation (Charter Fund)	33,476	-	(33,476)	-
Digital Evolution	-	149,297	(149,297)	-
Milo	-	140,000	(140,000)	-
Digital Inclusion for Mental Health	737,217	-	(495,804)	241,413
Connecting Scotland & Winter Support	6,140,966	-	(5,276,882)	864,084
Connecting Scotland - Care Homes	324,137	-	(37,480)	286,657
DIPDRD (Digital Lifelines)	397,211	-	(374,106)	23,105
Social Action Enquiry	117,249	-	(115,633)	1,615
Longitudinal Research	37,903	10,000	(20,895)	27,008
Village Halls	9,417	38,000	(25,300)	22,117
Scottish Government- Third Sector Cyber Resilience	193,018	-	(78,730)	114,288
Growing Climate Confidence	-	110,000	(64,500)	45,501
Total	9,131,498	447,297	(6,830,562)	2,748,233

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

Restricted Funds: movements in the prior year

	1 April 2023	Income	Expenditure	31 March 2024
	£	£	£	£
Capital Grants	1,159,363	-	(18,459)	1,140,904
Community Capacity & Resilience	54,436	270,000	(324,436)	-
Digital Participation (Charter Fund)	81,887	100,000	(148,411)	33,476
Digital Evolution	-	131,200	(131,200)	-
Milo	-	140,000	(140,000)	-
Digital Inclusion for Mental Health	2,000,000	-	(1,262,783)	737,217
Cyber Resilience	20,000	-	(20,000)	-
Connecting Scotland & Winter Support	9,396,776	-	(3,255,810)	6,140,966
Connecting Scotland - As a Service	96,941	-	(96,941)	-
Connecting Scotland - Care Homes	478,908	-	(154,771)	324,137
DIPDRD (Digital Lifelines)	1,434,487	-	(1,037,276)	397,211
Social Action Enquiry	510,887	-	(393,638)	117,249
Longitudinal Research	-	40,000	(2,097)	37,903
Community Learning Development- Practitioner Devices	83	465,000	(465,083)	-
Cyber Readiness SG 2022/23	35,000	-	(35,000)	-
Digital Participation Local Carers Organisations	9,700	(9,700)	-	-
Village Halls	32,500	-	(23,083)	9,417
Scottish Government- Third Sector Cyber Resilience	-	195,150	(2,132)	193,018
Total	15,310,968	1,331,650	(7,511,120)	9,131,498

Capital Grants - represents grants received to support the purchase and equipping of the voluntary sector centre in Inverness, less amounts released to unrestricted funds to match the depreciation.

Digital Participation - Scottish Government initiative aimed at increasing the rates of digital participation and growing the digital capability of the voluntary sector in Scotland.

Milo - work that SCVO does on behalf of the third sector in Scotland, providing a data management and reporting platform known as Milo that is used by Scotland's Third Sector Interfaces (TSIs). Milo is funded by the Scottish Government.

Community Capacity & Resilience Fund - this is a Scottish Government grant to increase the capacity and resilience of communities and local third sector organisations to provide support and skills required to mitigate the effects of welfare reform and poverty.

NOTES TO THE FINANCIAL STATEMENTS
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Digital Evolution - a two-year project supported by Wm Grant Foundation, Esmee Fairbairn Foundation, and Paul Hamlyn Foundation to support voluntary sector organisations throughout Scotland to rapidly grow their digital capacity through support, training, and advice.

CLD - The CLD Practitioners Digital Devices Fund is a Scottish Government fund, administered by SCVO, which seeks to support Community Learning & Development Practitioners in Scotland by giving them the digital tools they need to help Scotland's CLD learners.

Connecting Scotland/ Care Homes/ As A Service - aimed at providing devices and network connections for up to 60,000 people on low incomes who are considered at high risk, allowing them to access services and support, and to connect with friends and family during the pandemic. This included a first phase targeting shielding and clinically vulnerable people, followed by a second phase targeting families and young people leaving care in the autumn.

A **Winter Support** round of Connecting Scotland was launched in December 2020 to older and disabled people at risk of social isolation and loneliness. A dedicated strand of Connecting Scotland programme was also set up in November 2020 to help with internet connectivity for shared use in all of Scotland's **Care Homes**, together with digital training for staff.

DIPDRD (Digital Lifelines) - the Digital Inclusion for Supporting the Prevention of Drug Related Deaths Programme aims to provide greater access to digital solutions that keep people at increased risk of drug related deaths safe and connected to support services.

Social Action Inquiry - a multi-partner project, aimed at understanding the value of Social Action and its power to effect change in Scottish communities. This is hosted by SCVO which provides office accommodation and in-kind support.

Longitudinal Research - The Scottish Third Sector Tracker is longitudinal panel study with 800 third sector organisations across Scotland. The Tracker is managed by DJS Research and SCVO, in partnership with the Scottish Government and independent funders.

Cyber Readiness 2022/23 - a Scottish Government funded project to provide expert one-to-one cyber advice to Scottish charities to help them make a baseline assessment of their cyber resilience and identify a roadmap of actions to improve their capability.

Scottish Government - Local Carer's Organisations - the fund aims to provide local carer services with the equipment and systems needed to improve capacity to deliver increased support to local unpaid carers' while minimising covid risk to staff and carers.

Digital Inclusion in Mental Health & Housing - a new programme funded by the Scottish Government's Digital Health & Care Directorate. SCVO provides grant management support and digital inclusion expertise. A range of community organisations will be funded to test new approaches and models for embedding digital inclusion in core mental health and housing service delivery.

NOTES TO THE FINANCIAL STATEMENTS
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Village Halls - a project funded by the Scottish Rural Network to develop, market, and promote an online guide to running a village hall or community building.

SG Third Sector Cyber Resilience - A Scottish Government post and programme budget to support actions across the third sector to increase awareness of cyber security and support actions to increase cyber resilience.

Growing Climate Confidence - funded by the Scottish Funders Network, this project offers vital support to charities and voluntary organisations looking to tackle the climate crisis.

14. Designated Funds

	2025 £	2024 £
Balance at 1 April	266,030	299,324
Transfer (to)/from general funds	(92,973)	(33,294)
Balance at 31 March	173,057	266,030

Other Tangible Assets Reserve

This reserve has been created to represent the reserves that are not available for other activities since they have been used to purchase fixed assets. The transfer from general funds represents the depreciation charge for the year.

15. Pension Fund

	2025 £	2024 £
Balance at 1 April	(129,802)	(500,060)
Movement in defined benefit obligation	(11,856)	(15,837)
Transfer (to)/from general funds	130,136	386,095
Balance at 31 March	(11,522)	(129,802)

16. General Funds

	2025 £	2024 £
Balance at 1 April	5,669,930	5,481,418
Net income for year	(577,181)	525,477
Transfer from/(to) designated funds	92,973	33,294
Transfer to pension fund	(118,280)	(370,258)
Balance at 31 March	5,067,532	5,669,930

NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of Net Assets between Funds

	Restricted Funds £	Designated Funds £	Pension Fund £	General Funds £	2025 Total £
31 March 2025					
Tangible fixed assets	1,122,445	173,057	-	979,452	2,274,954
Net current assets	1,625,788	-	(11,522)	4,088,080	5,702,346
Long-term liabilities	-	-	-	-	-
	2,748,233	173,057	(11,522)	5,067,532	7,977,300

	Restricted Funds £	Designated Funds £	Pension Fund £	General Funds £	2024 Total £
31 March 2024					
Tangible fixed assets	1,140,904	266,030	-	3,217,310	4,624,244
Net current assets	7,990,594	-	(129,802)	2,612,806	10,473,598
Long-term liabilities	-	-	-	(160,186)	(160,186)
	9,131,498	266,030	(129,802)	5,669,930	14,937,656

18. Pension Commitments

SCVO participates in two multi-employer Defined Benefit pension schemes.

Scottish Voluntary Sector Pension Scheme

SCVO participates in the Scottish Voluntary Sector Pension Scheme, a multi-employer scheme which provides benefits to some 77 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for SCVO to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man-standing arrangement'. Therefore, SCVO is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2023. This actuarial valuation was certified on 27 June 2024 and showed assets of £86.2m, liabilities of £88.2m and a deficit of £2.0m. From 1 June 2024 the majority of employers no longer pay deficit contributions.

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 28 February 2034.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 May 2024:	£1,473,969 per annum (payable monthly and increasing by 3% each year on 1 st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2025 £	31 March 2024 £	31 March 2023 £
Present value of provision	-	125,495	490,840

Reconciliation of opening and closing provisions

	Period Ending 31 March 2025 £	Period Ending 31 March 2024 £
Provision at start of period	125,495	490,840
Unwinding of the discount factor (interest expense)	250	15,456
Deficit contribution paid	(125,745)	(380,826)
Remeasurements - impact of any change in assumptions	-	25
Provision at end of period	-	125,495

NOTES TO THE FINANCIAL STATEMENTS
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Income and Expenditure impact

	Period Ending 31 March 2025 £	Period Ending 31 March 2024 £
Interest expense	250	15,456
Remeasurements – impact of any change in assumptions	25	25

Assumptions

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.98	4.90	5.40

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between SCVO and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2025 £	31 March 2024 £	31 March 2023 £
Year 1	-	125,745	380,826
Year 2	-	-	125,745

SCVO must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e., the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive SCVO's balance sheet liability.

SCVO has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SVSPS based on the financial position of the Scheme as at 30 September 2024. As of this date the estimated employer debt for SCVO is £3,409,619 (September 2023: £3,406,716)

The estimated debt is calculated on the solvency, or 'buy-out' basis. This is the Scheme Actuary's estimate of the pricing basis used to secure pension liabilities with an insurance company in full at 30 September 2024.

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The Growth Plan

SCVO also participates in The Growth Plan, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the SCVO to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore, SCVO is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 March 2028:	£2,100,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

NOTES TO THE FINANCIAL STATEMENTS
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Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2025 £	31 March 2024 £	31 March 2023 £
Present value of provision	11,522	4,307	9,220

Reconciliation of opening & closing provisions

	Period Ending 31 March 2025 £	Period Ending 31 March 2024 £
Provision at start of period	4,307	9,220
Unwinding of the discount factor (interest expense)	114	353
Deficit contribution paid	(4,391)	(5,269)
Remeasurements - impact of any change in assumptions	73	3
Remeasurements - amendments to the contribution schedule	11,419	-
Provision at end of period	11,522	4,307

Income and expenditure impact

	Period Ending 31 March 2025 £	Period Ending 31 March 2024 £
Interest expense	114	353
Remeasurements – impact of any change in assumptions	73	3
Remeasurements – amendments to the contribution schedule	11,419	-

NOTES TO THE FINANCIAL STATEMENTS
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Assumptions

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between SCVO and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2025 £	31 March 2024 £	31 March 2023 £
Year 1	4,111	4,391	5,269
Year 2	4,111	-	4,391
Year 3	4,111	-	-

SCVO must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e., the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the SCVO's balance sheet liability.

SCVO has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan based on the financial position of the Scheme as at 30 September 2024. As of this date the estimated employer debt for SCVO is £42,926 (September 2023: £40,676).

The estimated debt is calculated on the solvency, or 'buy-out' basis. This is the Scheme Actuary's estimate of the pricing basis used to secure pension liabilities with an insurance company in full at 30 September 2024.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

19. Leasing Commitments

The total future minimum lease payments under non-cancellable operating leases:

	Buildings		Office Equipment	
	2025 £	2024 £	2025 £	2024 £
Falling due:				
Within 1 year	35,242	22,542	3,235	3,759
In 1 to 5 years	39,450	5,664	-	1,014
In more than 5 years	-	-	-	-
	74,692	28,206	3,235	4,773

20. Lessor Income

The total future minimum rental income under operating leases:

	2025 £	2024 £
Expiring within 1 year	69,149	149,633

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

21. Analysis of Net Debt

	At 1 April 2024 £	Cashflows £	Other non- cash changes £	At 31 March 2025 £
Cash & cash equivalents				
Cash	12,221,213	(2,313,948)	-	9,907,265

Borrowings

Debt due within one year	(1,871,911)	1,871,911	-	-
Total	10,349,302	(442,037)	-	9,907,265

	At 1 April 2023 £	Cashflows £	Other non- cash changes £	At 31 March 2024 £
Cash & cash equivalents				
Cash	17,834,337	(5,613,124)	-	12,221,213

Borrowings

Debt due within one year	(92,402)	(208,934)	(1,570,575)	(1,871,911)
Debt due after one year	(1,856,077)	-	1,856,077	-
	(1,948,478)	(208,934)	285,502	(1,871,911)