



Scottish Council for Voluntary Organisations (SCIO)

Report and Financial Statements

Year ended 31 March 2026

Charity No: SC003558

**ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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FOREWORD

The year 2025/26 has been particularly challenging for SCVO. We have continued to do great work, while addressing our financial sustainability as many other charities have had to do. As a result of that, we have lost some valued colleagues, and I want to acknowledge the contribution they made over the years. This has meant, we have had less capacity to deliver this third year of our strategic plan, Ambitious for SCVO, Ambitious for the Voluntary Sector, but have made progress nonetheless.

Members remain at our heart. With some fluctuation due to changing processes, our membership continues to grow. As Convener, it is important to me that our members reflect the profile of the sector across the whole country. That means most of our members are small, volunteer-run organisations, while we also have medium and large members who deliver services, campaign on things that matter, tackle poverty and inequality, promote wellbeing and make our communities – even our planet – better places to live, work and visit.

The needs of that diverse sector underpinned our manifesto asks for the 2026 Holyrood election. We saw commitments to the sector across most party manifestos, as well as in their contributions to Third Force News magazine.

The Scottish Third Sector Tracker research and our State of the Sector reports are being used by many stakeholders, and are increasingly picked up by mainstream media.

In supporting a diverse sector, SCVO's offer needs to have something for everyone, and we have been trying to bring in more differentiation so that our members and the wider sector can more easily connect with what is most relevant to them. This includes tweaking what we offer in line with feedback and improving how we communicate, so that the right information reaches the right people at the right time to make a real, positive difference to them and their organisation.

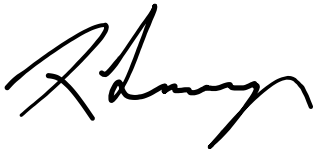
Our services continue to grow and I'm particularly pleased to see a second phase of our HR for Creatives work, and a new partnership with Museums and Galleries Scotland. Our small HR team has developed a real expertise in supporting arts and heritage organisations, whose ways of working are quite unique.

The Gathering in February 2026 was another bumper festival of events and activities, and a fabulous exhibition. A new addition this year was our mini recording studio – which became known as the Hot Box – where we recorded a variety of people talking about the Gathering, about the sector and what's important to them.

I'm still amazed by the expertise we have at SCVO – members of the team have specialist knowledge in governance, climate, cyber and AI that we proactively share with organisations who otherwise couldn't afford that support. And we use our expertise to challenge where appropriate, such as ending our relationship with Scottish Government on digital inclusion.

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCVO)

Finally, I would encourage all members to make sure that as many as possible of your board, volunteers and staff sign up to a My SCVO account on our website, to really maximise your membership benefits.

A handwritten signature in black ink, appearing to read 'Richard Jennings', with a stylized, cursive script.

Richard Jennings, Convener

TRUSTEES' ANNUAL REPORT

The Trustees present the annual report together with the audited financial statements for the year ending 31 March 2026.

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 (last updated 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 3,700 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 half of delivering against SCVO's five-year strategy for 2023-28: Ambitious for SCVO, ambitious for the voluntary sector.

The external environment remains challenging with an uncertain funding landscape, conflict around the globe exacerbating the cost-of-living crisis, social tensions and an uncertain political climate.

We want an organisational structure that is fit for the future, which is why we undertook an organisational restructure this year which included making redundancies. We took these difficult steps so we can meet our commitment to be there for the long run, addressing 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. And we make sure their voice is heard.

We welcomed 899 new organisations into our membership community last year, including 736 small organisations that benefit from free membership and targeted support.

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

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.

This year, we engaged directly with Scottish and UK Ministers and senior officials on funding, fiscal pressures and public service sustainability, reinforcing voluntary sector priorities at key decision-making points; and we briefed MSPs on SCVO priorities ahead of key parliamentary events, including the Scottish Budget, the Spending Review, the Medium-Term Financial Strategy and the Programme for Government.

We also provided oral evidence to the Scottish Parliament's Finance and Public Administration Committee as part of pre-budget scrutiny, highlighting the implications of fiscal pressures for the voluntary sector and public services.

We continue to campaign heavily for Fair Funding, as we know funding remains the top challenge for voluntary organisations across Scotland. Progress this year has seen more organisations receiving notification of funding decisions before the end of the financial year, and a "fairer funding" pilot by Scottish Government with a small number of organisations receiving 2-year grants, which evaluated well.

We have also had positive engagement on Fair Funding with the Cabinet Secretary for Social Justice, the Cabinet Secretary for Finance and the First Minister, as well as officials and special advisers. We can see incremental wins and will be pressing the incoming administration to take more decisive action.

Three more areas where we can clearly evidence the impact of our influencing work are:

Subsidy Control (formerly known as State Aid) – together with legal firm Brodies and third sector interfaces, we developed FAQs on subsidy control, responding to growing concern across the sector about how these rules are being applied to public sector funding. The guidance was published in summer 2026, along with a webinar.

Freedom of information – we engaged with the Scottish Government on revisions to the Section 60 Code of Practice under the Freedom of Information (Scotland) Act. Our input helped secure clearer guidance that avoids FOI obligations being applied more broadly to voluntary organisations delivering services under contract than the law provides for.

Audit thresholds - along with many others, we pressed for the audit threshold for charities to be raised. An increase from £500k to £1 million came into force from 1 January 2026.

In August 2025 we published ‘Scotland’s Essential Sector, Priorities for the Next Scottish Government’, SCVO’s manifesto for the 2026 Scottish Parliament Election. It was shaped by extensive engagement with the sector and research evidence.

Across their manifestos, Labour, the SNP, the Liberal Democrats and the Greens all committed to improving the public sector funding landscape for voluntary organisations, with commitments ranging from longer-term funding agreements to explicit pledges to deliver fair, multi-year funding.

We have also been successful in relation to our call for a formal partnership between Scottish Government and the voluntary sector, with both Scottish Labour and the SNP including commitments in their manifestos and verbal support from other parties. We expect this to be a significant area of work in 2026/27.

In February 2026, SCVO hosted an election hustings, providing a neutral platform for political parties to engage directly with the voluntary sector. We also co-hosted a reception with Volunteer Scotland at the Scottish Parliament highlighting the contribution of volunteers and voluntary organisations across Scotland. It was hosted by Jeremy Balfour MSP and included contributions from Kaukab Stewart MSP, then Minister for Equalities, alongside SCVO and Volunteer Scotland. It was a valuable opportunity to celebrate impact, highlight current challenges, and engage directly with parliamentarians ahead of the election.

To support voluntary organisations to engage confidently and appropriately themselves in the run-up to the election, we created an online election hub bringing together clear, practical guidance on what voluntary organisations can and can’t do during an election

period, signposting advice from OSCR and the Electoral Commission and highlighting opportunities for organisations to engage with party manifesto development.

At UK-level, alongside our sister organisations in the rest of the UK, we worked closely with UK Government on the development of the Civil Society Covenant and attended the launch in Downing Street. We share a place on the Council which oversees the implementation of the Covenant with our counterparts in Wales and Northern Ireland.

A core pillar of our work is to generate a range of high-quality research and evidence to inform, provoke debate and influence public policy. SCVO's Third Sector Tracker is a longitudinal research project. It has been running since summer 2021, building a valuable body of evidence about the experiences and challenges of the sector across time and providing important evidence for our influencing work. It is widely used by funders and others to access up-to-date information on the sector. The most recent Tracker findings showed acute financial pressures, intensifying workforce pressures, rising demand for services and growing risks to organisational sustainability. Tracker evidence has been used throughout the parliamentary term to inform engagement with government, secure high-impact media coverage, and support for SCVO policy asks, including Fair Funding.

For the first time in a decade, we conducted a Voluntary Sector Workforce Survey in partnership with Volunteer Scotland and Charity Leadership Scotland. This survey of over a thousand paid staff and hundreds of volunteers and trustees found: the funding environment is having a direct and constraining impact on the sector's workforce; recruitment and retention challenges continue to affect organisations across the sector; pay, workload and wellbeing pressures remain significant; and workforce pressures are closely linked to job insecurity and rising demand.

In addition to vital facts and figures, there are also amazing stories to be told about the work our sector does. In June 2025, we held our annual Scottish Charity Awards, celebrating the stories and work of 51 incredible finalists. Our People's Choice Award attracted over 16,000 votes and around 400 people joined us for the awards ceremony. This generated coverage in local and regional press across Scotland, with nominations and winners featured in titles from Caithness to Inverness, Fife, Perthshire, Ayrshire and beyond, celebrating volunteers, charities and community groups, raising awareness of the breadth and diversity of Scotland's voluntary sector and the difference it makes to people's lives every day.

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

The Third Force News (TFN) website featured 888 news stories and 176 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 distributed to all SCVO members.

Recognising the quality of journalism in TFN, one of the reporters was nominated for a prestigious Orwell Prize for his reporting on how homeless people are being let down in Edinburgh.

We also engage proactively with the mainstream media to reach an even wider audience. SCVO appeared in media coverage 366 times between April 2025 and March 2026, spanning web (226), press (85), TV (31) and radio (24). For example, in September 2025, SCVO proactively brought national attention to the scale of charity closures across Scotland, securing widespread coverage across broadcast and print media, highlighting the real-world consequences for communities across Scotland who depend on voluntary sector services. The campaign generated coverage across BBC Scotland TV and radio as well as major print titles including The Herald, the Sunday Mail and the Daily Record.

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:

- The most popular information pages visited on our website this year were model constitutions, bank account comparison tables and choosing the right organisational structure, showing that good governance remains critical to our members.
- 311 organisations completed governance check-ups, while our Information Service responded to 1,054 information requests, and provided 52 one-to-one sessions. Governance, setting up an organisation and compliance were the 3 most popular topics that our experts were asked about.
- New resources that we produced this year included: an updated Village Halls and Community Spaces handbook, an updated Goodmoves salary guide, a cyber resilience response poster, and the annual Third Force News Guide to Running a Charity, which this year focused on supporting the sector as an employer, covering topics such as burnout, volunteer management, recruitment and wages.
- We referred 126 SCVO members to our professional services partners for free legal advice, 37 SCVO members for free tax and VAT advice, and 9 SCVO members for free financial management advice.
- Funding Scotland Premium, our funding search website, was once again our most popular SCVO member benefit, providing a simple and comprehensive tool to find and filter essential sources of funding.
- 1,450 learners took part in our formal training courses – either on one of SCVO's 69 training courses or as part of bespoke in-house training opportunities that we provided at 28 voluntary organisations - clocking up 6,545 hours of learning.
- Our HR service supported over 240 organisations with over 1,200 HR cases, providing access to high quality and trusted information from in-house HR specialists. This includes funded partnerships with Creative Scotland, supporting small arts organisations to implement good HR practices and the Fair Work principles, and Museums and Galleries Scotland, to offer HR support to 20+ of their members.

- Where we didn't have in-house expertise at SCVO to provide specialist support, our corporate partners stepped up. For example, Keegan & Pennykid helped 179 SCVO members find affordable and comprehensive insurance cover; and Utility Aid helped 298 members with their energy contracts, invoice validation and net zero activities. Over the last 4 years, Utility Aid have supported SCVO members to recoup a total of £652,000 from energy companies who have over-charged them.
- 1,315 organisations advertised 4,518 charity and voluntary sector jobs on our Goodmoves recruitment website, with up to 92,000 job seekers viewing those roles online each month.
- We supported 45 organisations with 910 devices through our fully managed IT service, and resolved 5,000 customer enquiries to the IT helpdesk.
- We processed 88,911 payslips with £119 million in salaries for 434 organisations through our payroll service.
- And having sold our Inverness office this year, we now only own property in Glasgow. As well as our own staff, we currently have 4 tenants and 5 virtual tenants based there.

Following a comprehensive review last year, we've started developing our learning offer to include more of a focus on leadership and management, fundraising, and governance. We have started developing a voluntary sector management programme to support people who are new to the sector as well as supporting former frontline staff who are new to management. We have also refreshed and updated our funding training as well as introducing new free monthly 'meet the funders' sessions. And our governance and trustee offer is in development to support new and aspiring trustees to have greater confidence and understanding of their roles and responsibilities as a trustee, as well as greater understanding in the overall workings of an organisation. More changes will follow, all designed to enhance what we offer our members and the sector in a sustainable way.

Our annual flagship event, the Gathering, took place in February 2026, featuring 82 workshops, 80 exhibition stands and welcoming 3,000 people over two days. It is free to attend and 38% of those who came along had never been to a Gathering before, allowing us to engage with new audiences.

We also delivered a Village Halls conference in Birnam in May 2025 for 76 in-person and 62 online delegates, and a Trustees conference in Glasgow in November 2025 for 134 delegates.

Knowing that governance remains a significant topic across the sector, we have refreshed and relaunched our Trustee Network as 'Trustee Essentials', offering a range of resources, updates and webinars that are accessible to all. We are also creating a governance network for our members who have a specific interest in governance. Following an unexpectedly high response to our survey exploring what members would want from this, we will launch the new community in the coming months.

Trustee recruitment is a key challenge for many organisations. We are rolling out an innovative pilot with Lloyds Banking Group, which sees them funding us to provide a

‘becoming a trustee’ learning programme for their Chartered Accountancy (CA) graduates. This includes us training the graduates on governance and expectations, then helping match them with SCVO member organisations to join their board. The aim is that organisations benefit from the graduates’ expertise, and the graduates are well-supported in their first steps into trusteeship. If this is successful, we will roll it out to other corporates.

Our ‘Growing Climate Confidence’ work has continued to grow, helping organisations understand how to build a net zero action plan and approach to climate action in a way that is relevant for their organisation. In the last year, we worked with 130+ organisations and 230+ participants, offering a mix of gamified learning, facilitated workshops and advice sessions. We also convened a Funding Roundtable with 14 funders and intermediaries to explore how climate action can be positively embedded in funding processes.

We continue to offer a range of digital advice and support. This year, we completed 25 online events for over 1,000 attendees on topics including AI governance, service design and agile management practice. SCVO’s AI expert delivered 24 plenary talks and workshops about strategic and responsible use of AI, reaching an audience of around 900 and was voted top of the Charity category at the UK AI100 leaders awards in October 2025. We also published our new digital call to action, ‘AI and Everything Else’ in February 2026. And 127 organisations completed our digital checkup.

Cyber resilience is a core part of our digital work. We have successfully scaled up and rolled out a funded cyber support programme, delivering intensive support to 35 organisations through a partnership with industry experts IASME. We also piloted a new cyber support programme, matching skilled volunteers to charities requiring cyber expertise, as well as delivering cyber surgery sessions to 60 charities and growing a number of networks, for example, the Third Sector Working Group, Catalyst Network and NCSC Charity Trust Group.

We have continued delivering pioneering work on digital inclusion. This included co-delivery of the Digital Lifelines Scotland programme, a partnership between SCVO, the Digital Health and Care Innovation Centre, and Simon Community Scotland, through a mix of grant management and digital inclusion support. In the last year, the programme supported 2 Alcohol and Drugs Partnerships to develop their place-based approaches to digital inclusion and system change, reaching 398 people and providing 184 devices and 147 connectivity packages to people at risk of drug related harm.

The Digital Inclusion in Health and Care programme concluded this year with a national learning dissemination, delivering 21 sessions, attended by 536 people (Masterclasses, webinars, discovery workshops and accelerator sessions). The learning dissemination shares insights from the independent evaluation and is informed by two years of delivery supporting 25 organisations, engaging 683 staff and volunteers to support 3,675 direct beneficiaries.

We launched our new digital inclusion cross-borders collaborative with Good Things Foundation and Cwmpas, through a joint election manifesto for digital inclusion.

We demonstrated leadership on digital inclusion through our Error 404 campaign, which highlighted our position on the current approach being adopted by Scottish Government in relation to digital exclusion.

Our Connecting Scotland work also came to an end this year as we worked with the remaining households supported through the programme to help them transition to their own internet connections. We provided transitional support, including emergency extensions and donated SIM cards through the Good Things Foundation's National Databank. We also closed the national Connecting Scotland helpline. This marks the conclusion of the major programme of digital inclusion support for individual households that began in partnership with the Scottish Government in response to the pandemic.

We started some new digital work too: we're working in partnership with the University of Liverpool, Children in Scotland, Mhor Collective and Good Things Foundation to develop a new resource to support the Minimum Digital Living Standard for households with children in Scotland; and we also started delivering SUMIT in partnership with Queen's University Belfast, Trinity College Dublin, University of St Andrews and the Digital Health and Care Innovation Centre. SUMIT is supported by PEACEPLUS, a programme managed by the Special EU Programmes Body (SEUPB).

Finally, to support our aim of creating and joining spaces to explore complex challenges, find solutions and influence change, we have established a series of sessions for the chief executives of our larger members to explore big and emerging themes. The first had input from our sister organisation in Wales (WCVA) drilling down into their statutory Third Sector Scheme, and the second discussion was a deep dive with Frameworks UK into changing the narrative in campaigning. And in response to engagement with our members, we are working with Volunteer Scotland to convene organisations impacted by the hostile environment, particularly those dealing with equalities issues. We also continue to run active and valued Networks including our Policy Network, Comms Network and Intermediaries Network and launched a new Employers' Network.

Performing well to deliver success

This year brought a period of change for our organisation, as we went through a small-scale restructure. Like most organisations in our sector, we must move with the times to remain as resilient as possible to financial and other external factors. While we went through this change, being a good employer remained critical and despite pausing much of our usual staff engagement activity we are now successfully re-establishing momentum and strengthening our focus on staff engagement, communication and learning.

Our all-staff Away Day in October 2025 provided a valuable opportunity to reconnect as an organisation, with feedback from staff helping to shape improvements to communication, collaboration and future events.

Improving communication and collaboration across teams was and continues to be a key focus. We have worked with people managers and staff to identify opportunities to better “join the dots” across the organisation, including introducing practical tools to improve visibility of roles and responsibilities and we’re in the early stages of establishing a regular forum for people managers to connect and share learning at the end of 2025/2026.

Supporting our managers is a priority, and we have strengthened our approach to management development. This has included targeted sessions on preventing bullying and harassment (preparing for upcoming legislative changes) and planning a refreshed programme of learning for 2026/27 focused on core people management skills.

We have continued to invest in informal learning and wellbeing activity, recognising the importance of this in supporting staff to thrive. This has included sessions on healthy eating, mental health and wellbeing, and improving collaboration across teams. These opportunities, alongside dedicated wellbeing time and flexible working, contribute to a positive working culture and support a healthy work life balance.

We have also maintained a focus on essential skills and compliance through our mandatory learning programme, including GDPR, cyber security, fraud awareness and health and safety.

Our commitment to equality, diversity and inclusion continues to develop. During the year, we carried out a diversity, inclusion and wellbeing survey to better understand our staff demographics and their health, safety and wellbeing needs. This work will inform our next steps as we continue to embed wellbeing and inclusive practice across the organisation.

Partnership working and staff voice remain central to how we operate. We have continued to work closely with our trade union representatives throughout the year, maintaining regular dialogue and preparing for future pay negotiations.

As we move into 2026/27, we remain focused on embedding a strong culture of engagement, learning and inclusion. By supporting our staff to develop, collaborate and perform at their best, we are ensuring SCVO continues to be a positive, resilient and high-performing organisation.

Our Commitment to Net Zero

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

We have no vehicles or manufacturing processes to address. Our most significant environmental impact comes from our buildings, so that's where we've focused our efforts, alongside the everyday actions of staff across the organisation.

Staff Engagement

SCVO staff are deeply engaged in this work. The staff-led SCVO Climate Crisis Working Group drives awareness and action through information-sharing, all-staff away day activities, and volunteering days that have been focused on waste reduction and environmental clean-ups.

Measuring and Reducing Our Emissions

Since 2022, we've had systems in place to record and monitor Scope 1 (gas and oil) and Scope 2 (electricity) energy usage across our office buildings. Using 2022/23 baseline data, we set our first five-year carbon budget with an aim to reduce Scope 1 and 2 emissions by 25% by the end of 2027/28.

We're currently ahead of target, largely due to a shift in our property strategy. SCVO is moving away from being an owner and landlord:

- Mansfield Traquair Centre – we did not renew the lease when it expired in June 2025, and moved out of this historically important, repurposed church at the same time. Its large open event space didn't lend itself to energy reduction.
- Caledonian Exchange - from April 2025, Edinburgh-based staff are based here. The space better fits our size and needs, and its EPC rating of A significantly lowers our carbon footprint.
- Fairways House – we disposed of this building in April 2026. It only used renewable energy but was underutilised, and its disposal has further reduced SCVO's impact on the environment.
- Edward House - our Glasgow property is the sole remaining source of Scope 1 emissions. We're actively working to dispose of it and relocate to accommodation with better environmental credentials.

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%
2025/26	206	-5%	61	-76%

All our Scope 2 electricity contracts are renewable based, which has had a substantial impact on greenhouse gas emissions. Once we complete the transition away from Edward House, SCVO will then be near carbon neutral on both Scope 1 and 2 emissions.

What's Next: Scope 3 and Climate Adaptation

We're now shifting focus to monitoring and tackling Scope 3 emissions, and to climate adaptation planning. This means:

- Assessing emission hotspots across the organisation to inform decision-making
- Developing ways to monitor and address these impacts over time

During the year, we also amended our expenses policy to ensure business travel decisions take a climate-first approach. We'll continue to address the Scope 3 elements relevant to SCVO over the coming year.

Climate change is already affecting our staff, so protecting our people is a key part of this adaptation work. We're now planning how best to invest in adjusting policies and infrastructure to protect SCVO staff, volunteers and visitors, both in our offices and at events.

FINANCIAL REVIEW

Unrestricted income for 2025/26 is £4,638,671 (2025: £5,528,486). Restricted income stands at £1,022,794 (2025: £447,297). Total turnover for 2025/26 is therefore £5,661,465 (2025: £5,975,783).

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 £7,430,844 is £575,500 (2025: £636,038) of onward funding that was passed directly to voluntary sector organisations.

This year SCVO is recording an overall deficit of £1,769,385 (2025: deficit £6,960,356). This is split between an unrestricted activities deficit of £783,622 (2025: deficit £577,091) and a restricted activities deficit of £985,763 (2025: deficit £6,383,265). The restricted deficit is due to spend on projects from income that was received in prior years - £819k of expenditure relates to the Connecting Scotland programme, with another £526k 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 £858,360 (2025: £2,274,954) primarily consist of Edward House and IT equipment. An impairment expense of £428,104 has been recognised in the year, accounting for the difference between the carrying value of Edward House and recent offer for its purchase.

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TRUSTEES ANNUAL REPORT YEAR ENDED 31 MARCH 2026

SCVO now has no loan debt. Net current assets are £5,349,555 (2025: £5,702,346), of which £3,594,940 (2025: £4,088,080) is available as free reserves as shown in note 16. Net current assets include Fairways House as building for sale at £831,385.

Total unrestricted funds are £4,445,445 (2025: £5,229,067). The pension recovery plan liability for the SVSPS has reduced due to an improvement in the September 2023 valuation, which affected payments from 1st August 2024. Further details can be found in Note 17.

Funds employed stand at £6,207,915 (2025: £7,977,300) of which £1,762,470 (2025: £2,748,233) is of a restricted nature. The trustees in considering their ongoing commitments have designated in total £48,361 (2025: £173,057) as detailed in note 13 to the financial statements.

Designated funds have been established to:

- 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 £2,781,439 (2025: £3,512,599) which equates to approximately six months unrestricted expenditure. As at 31 March 2026, 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 £3,594,940 (2025: £4,088,080), thereby exceeding the optimal reserves target by £813,501. Trustees are

considering ways to invest the surplus in income generating activities and support for the sector.

SCVO has designated reserves of £48,361 (2025: £173,057) and restricted reserves of £1,762,470 (2025: £2,748,233). 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 risk averse. Staying at the forefront of sector representation and service development requires calculated risk-taking. We accept that materialising risks could bring significant change and disruption, but never to the point of threatening the organisation's survival. Risk appetite is always weighed against benefit to the sector. We will not pursue high-risk activities with limited sector benefit, even where income generation potential is significant.

Our approach

SCVO operates a formal risk management process. This involves:

- Identifying the types of risk we face.
- Prioritising risks by potential impact and likelihood.
- Identifying mitigation strategies.
- Considering risk velocity when reviewing the risk register.

Key risks

Trustees have identified four priority risks.

Income sustainability - Maintaining sufficient unrestricted income is essential to SCVO's independence and long-term effectiveness. We invest in our services, development and project work to sustain and grow income, while actively diversifying our income streams to reduce dependence on any single source.

Reputational risk - SCVO's reputation is central to its ability to represent and serve the sector effectively. We invest in staff training, risk appraisal and evaluation to reduce the likelihood of reputational damage arising. We also have systems in place to respond quickly and effectively should a reputational risk materialise.

Scottish Voluntary Sector Pension Scheme (SVSPS) obligations - The scheme's funding level has improved significantly on a technical basis, with deficit recovery payments ending in July

2024 (see Note 17). A current benefits review may, however, introduce additional liabilities at the next recovery period. While the SVSPS is largely de-risked through Liability Driven Investments and hedging against interest rate and inflation movements, the scheme's last-man-standing status remains an ongoing concern, and the potential for future cost increases persists for as long as SCVO remains a member. Buying out of the scheme remains affordable.

Cyber Threats - SCVO faces cyber risk both in relation to its own ICT infrastructure and data, and in the managed services it provides to the sector. We mitigate this by retaining well-qualified staff, monitoring systems continuously, and proactively improving our protection solutions. Staff awareness is a priority: our IT team leads ongoing cyber threat learning, and all staff complete mandatory cyber security training and receive regular updates.

PLANS FOR THE FUTURE

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

- Activities and plans for the future 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.

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 Westminster government on issues such as the implementation of the Civil Society Covenant, future funding arrangements, 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, four new trustees were elected to the board and one co-opted trustee was re-appointed.

The board does not operate standing sub-committees. Following a governance review in late 2024, the two previous sub-committees, the Strategic Resources Committee and the Strategic Development Committee, were disbanded, with their business absorbed into full board meetings from January 2025. The board meeting structure is as follows:

- Quarterly board meetings are held in two parts: a strategic discussion and more formal governance and compliance matters.
- Two additional shorter meetings take place each year, one in January focusing 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 are established as needed to explore specific issues or develop proposals for the board to consider. These include a mix of trustees, SCVO staff and external expertise where appropriate, with membership designed to make best use of trustees' skills 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 (SLT).

The current chief executive is Anna Fowlie. The SLT also includes Tim Hencher, Strategic Director of Delivery, and David McNeill, Strategic Director of Development.

All staff are covered by SCVO's pay grading structure. Cost-of-living awards are made annually at a consistent rate across all 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 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:

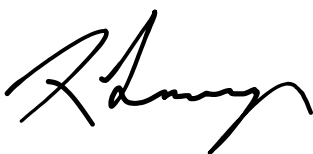
- a strategic plan and an annual budget approved by the Trustees.
- regular consideration by the Trustees of financial results, variance from budgets, non-financial and performance indicators, including regular updates on the aims of the Strategic Plan.
- delegation of authority and segregation of duties.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

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



Richard Jennings (Convener)

Date: 22 September 2026

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	-
Kim Atkinson	6 December 2022	9 December 2025	-
Ewan Hay	9 January 2025	-	25 August 2025
Allison Barr	9 December 2025	-	-
Carolyn Lochhead	9 December 2025	-	-
Chris Platt	9 December 2025	-	-
Kenny Steele	9 December 2025	-	-

Co-opted Trustees	Appointed	Re-appointed	Resigned
Jonathan Christie	7 June 2022	9 December 2025	-
Richard Jennings (Convener)	5 December 2023	-	-
Farha Jamadar (Treasurer)	1 February 2024	-	-
Ben Supple	10 December 2024	-	-
Steven Marwick	10 December 2024	-	-

Key Management Team

Chief Executive
Strategic Director of Delivery
Strategic Director of Development

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 Accounts (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: 22 September 2026

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

OPINION

We have audited the financial statements of Scottish Council for Voluntary Organisations for the year ended 31 March 2026 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 2026, 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 20, 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:

- Making enquiries of management about known or suspected instances of non-compliance with laws and regulations and instances of fraud;
- Reviewing any available correspondence with regulators including OSCR;
- Reviewing minutes of board meetings;

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

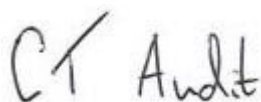
- Reviewing legal and other professional correspondence and invoices;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to investment property valuations and pension scheme deficit calculation assumptions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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.

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.



Steven Smillie CA (Senior Statutory Auditor)
For and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street, Edinburgh, EH3 6NL

Date:

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

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

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

		Unrestricted Funds	Restricted Funds	Total Funds 2026	Unrestricted Funds	Restricted Funds	Total Funds 2025
Notes		£	£	£	£	£	£
Income from:							
Donations and legacies		1,181,826	-	1,181,826	1,148,444	-	1,148,444
Charitable activities		3,294,871	1,022,794	4,317,665	3,994,669	447,297	4,441,966
Investments		161,974	-	161,974	385,373	-	385,373
Total	3	4,638,671	1,022,794	5,661,465	5,528,486	447,297	5,975,783
Expenditure on:							
Charitable activities:							
Services to the sector		4,355,073	18,459	4,373,532	4,852,300	18,459	4,870,759
Development and capacity building		1,067,214	1,990,098	3,057,312	1,241,784	6,812,103	8,053,887
Total	4	5,422,287	2,008,557	7,430,844	6,094,084	6,830,562	12,924,646
Net income/(expenditure)	7	(783,616)	(985,763)	(1,769,379)	(565,598)	(6,383,265)	(6,948,863)
Pension revaluation movement		(6)	-	(6)	(11,493)	-	(11,493)
Net income/(expenditure) after pension movements	7	(783,622)	(985,763)	(1,769,385)	(577,091)	(6,383,265)	(6,960,356)
Fund balances brought forward at 1 April		5,229,067	2,748,233	7,977,300	5,806,158	9,131,498	14,937,656
Fund balances carried forward at 31 March	16	4,445,445	1,762,470	6,207,915	5,229,067	2,748,233	7,977,300

All amounts relate to continuing activities.

The notes on pages 28 to 49 form part of these financial statements

BALANCE SHEET AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Fixed Assets			
Tangible assets	9	858,360	2,274,954
Current Assets			
Debtors	10	587,025	552,800
Asset held for sale		831,385	-
Cash at bank and in hand		833,372	5,897,494
Investments - cash on deposit		3,642,691	4,009,771
		<u>5,894,473</u>	<u>10,460,065</u>
Creditors: amounts falling due within one year	11	<u>(544,918)</u>	<u>(4,757,719)</u>
Net current assets		<u>5,349,555</u>	<u>5,702,346</u>
Total assets less current liabilities		<u>6,207,915</u>	<u>7,977,300</u>
Total net assets		<u>6,207,915</u>	<u>7,977,300</u>
Funds employed:			
Restricted funds	12	1,762,470	2,748,233
Unrestricted funds			
Designated funds	13	48,361	173,057
Pension fund	14	(7,856)	(11,522)
General funds	15	4,404,940	5,067,532
Total funds	16	<u>6,207,915</u>	<u>7,977,300</u>

The financial statements were approved and authorised for issue by the Board on 22 September 2026.

Signed on behalf of the Board of Trustees



Richard Jennings (Convener)

The notes on pages 28 to 49 form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Cash flows from operating activities:		
Net income for the year	(1,769,385)	(6,960,356)
Adjustments for:		
Depreciation charges	120,731	132,267
Impairment Expense	428,104	941,678
Provisions	-	(160,186)
Dividends, interest, and rents from investments	(161,974)	(385,373)
(Gain)/ loss on disposal of fixed assets	54,064	10,564
(Increase)/ decrease in debtors	(34,225)	663,796
(Decrease)/ increase in creditors	(4,212,801)	3,665,418
Interest paid	-	25,171
Net cash provided used by operating activities	(5,575,487)	(2,067,021)
Cash flows from investing activities:		
Dividends, interest, and rents from investments	161,974	385,373
Purchase of property, plant, and equipment	(17,690)	(35,218)
Proceeds from disposal of property, plant, and equipment	-	1,300,000
Net cash used in investing activities	144,284	1,650,155
Cash flows from financing activities:		
Repayments of borrowings	-	(1,871,911)
Interest paid	-	(25,171)
Net cash used in financing activities	-	(1,897,082)
Changes in cash and cash equivalents in the year	(5,431,203)	(2,313,948)
Cash and cash equivalents at the beginning of the year	9,907,265	12,221,213
Cash and cash equivalents at the end of the year	4,476,063	9,907,265

The notes on pages 28 to 49 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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 19. 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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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.

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 as services are performed. 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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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).

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

- 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.

Assets held for sale comprise properties and other assets where the trustees have approved disposal and the sale is expected to be completed within twelve months of the reporting date. The assets are stated at fair value less costs to sell.

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.

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 has liabilities towards the Scottish Voluntary Sector Pension Scheme and the Growth Plan. These funds are now closed to new members and further accruals, or any further contributions from existing members. Further details on these defined benefit schemes can be found at note 17.

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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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 17.
- 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.

SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS (SCIO)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

3. Income

	2026 £	2025 £
Income from donations and legacies		
Scottish Government Core Grant	962,000	962,000
Charities Aid Foundation	219,826	186,444
	1,181,826	1,148,444
 Income from charitable activities		
Scottish Government Grants:		
• Infrastructure (Milo)	140,000	140,000
• Digital Lifelines	350,000	-
• Digital Participation	-	308,000
• Scottish 3 rd Sector Resilience	69,503	-
• Scottish 3 rd Sector Tracker	20,000	-
• Village Halls	30,000	10,000
Other Grant Income	433,815	296,634
Membership services:		
• Fees for services	948,435	906,149
• Advertising income	947,846	1,000,094
• Subscription income	501,835	469,966
• Tenant income	244,945	536,047
• Commission income	118,486	109,346
• Other	27,349	99,119
Other Earned Income:		
• Client Fees	20,453	67,428
• Income from trading	284,173	365,092
• Other	180,825	134,091
	4,317,665	4,441,966
 Income from deposits	 161,974	 385,373
Total Income	5,661,465	5,975,783

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

4. Expenditure

	Activities undertaken £	Grant funding of activities £	Support costs (Note 5) £	2026 Total £
Charitable activities				
Services to the sector	3,093,986	1,622	1,277,924	4,373,532
Development and capacity building	2,233,408	573,878	250,026	3,057,312
	<u>5,327,394</u>	<u>575,500</u>	<u>1,527,950</u>	<u>7,430,844</u>
	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 building	7,143,193	636,038	274,656	8,053,887
	<u>11,214,110</u>	<u>636,038</u>	<u>1,074,498</u>	<u>12,924,646</u>

SCVO paid out Development and Capacity Building grants of £573,878 relating to three projects (Connecting Scotland £199,343, Care Homes £123,480, Digital Lifelines £251,054). These payments were made to 6 separate organisations for delivery of these projects.

	2026 £	2025 £
Services to the sector	1,622	-
Development and capacity building:		
Connecting Scotland	199,343	178,296
Connecting Scotland - Care Homes	123,480	-
Digital Lifelines	251,054	145,010
Digital Inclusion for Mental Health	-	307,732
Digital Participation	-	5,000
	<u>575,500</u>	<u>636,038</u>

In 2026 three of these payments were material (2025: none):

- Digital Xtra £199,343, paid from the Scottish Government Connecting Scotland programme.
- Quarriers £123,480, paid from the Scottish Government Connecting Scotland (Care Homes) programme.
- Angus Council £107,923, paid from the Digital Lifelines programme.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

SCVO also managed a programme of small bursaries on behalf of the Corra Foundation. This totalled £1,622 (2025: £nil) and enabled delegates from small ethnic minority led charities to attend the Gathering in February 2026.

5. Support Cost Allocation

	Accommodation £	Finance £	HR £	ICT £	Governance £	2026 Total £
Services to the sector	415,206	177,437	133,506	518,663	33,112	1,277,924
Development and capacity building	83,396	35,639	26,815	104,176	-	250,026
	498,602	213,076	160,321	622,839	33,112	1,527,950

	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

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

Governance costs are broken down:

	2026 £	2025 £
Audit & Assurance	21,168	20,128
Board meetings	6,021	4,030
Board expenses	5,923	5,339
Board recruitment	-	8,922
	33,112	38,419

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**
6. Staff Costs

	2026 £	2025 £
Salaries	3,198,002	3,373,139
Termination payments (redundancies)	104,827	55,365
Social security costs	417,099	342,686
Other pension costs	565,019	545,598
	4,284,947	4,316,788

Termination payments totalling £104,827 were all paid in the year.

The average monthly number of employees during the year was 79 (2025: 85).

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

	2026 Number	2025 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£90,001- £100,000	2	2
£110,001- £120,000	-	2
£120,001- £130,000	1	-

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 19. The total remuneration paid for services (including employer pension contributions and NICs) was £385,109 (2025: £372,100).

7. Net income for the year

Net income is stated after charging:

	2026 £	2025 £
Depreciation	120,731	132,267
Auditor's remuneration - statutory audit services (including unrecoverable VAT)	21,168	20,128
Indemnity insurance	2,931	4,794
Operating lease rentals:		
- equipment	2,057	22,509
- property	29,588	19,542

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026
8. Related party transactions

Trustees are reimbursed for expenses incurred on travel and subsistence in the performance of their duties. Reimbursements to six Trustees amounted to £2,461 (2025: £4,991). No remuneration was received by Trustees in 2026 (2025: £nil).

A grant of £199,343 was made from the Connecting Scotland fund to Digital Xtra with regards to the funding of their Community Code Hubs work. SCVO Strategic Director of Development David McNeill is a Trustee of Digital Xtra. The grant agreement was checked and authorised by the Chief Executive Officer Anna Fowlie and Strategic Director of Delivery Tim Hencher.

9. Fixed Assets

Tangible Assets	Land & Buildings £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2025	4,120,933	416,571	106,409	4,643,913
Additions during year	-	17,690	-	17,690
Disposals	-	-	(106,409)	(106,409)
Transfer to current assets	(1,786,371)	-	-	(1,786,371)
At 31 March 2026	2,334,562	434,261	-	2,768,823
Depreciation				
At 1 April 2025	1,985,933	341,207	41,819	2,368,959
Charge for year	65,511	44,694	10,526	120,731
Impairment	428,104	-	-	428,104
Disposals	-	-	(52,345)	(52,345)
Transfer to current assets	(954,986)	-	-	(954,986)
At 31 March 2026	1,524,562	385,901	-	1,910,463
Net book amount				
At 31 March 2025	2,135,000	75,364	64,590	2,274,954
At 31 March 2026	810,000	48,360	-	858,360

Included within Land and Buildings is land with a cost of £367,540 (2025: £967,540), that has not been depreciated.

An impairment expense of £428,104 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 2026.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

The balance of Fairways House £831,385 has been transferred from Fixed Assets to Current Assets.

10. Debtors

	2026 £	2025 £
Due within one year:		
Outstanding grants	43,135	20,000
Prepayments	112,360	102,422
Other debtors	431,530	430,378
	<u>587,025</u>	<u>552,800</u>

11. Creditors: amounts falling due within one year

	2026 £	2025 £
Accruals	191,346	4,237,650
Deferred income	6,926	56,674
Other taxes and social security costs	134,363	145,475
Pension costs	47,053	50,993
Other creditors	157,374	255,405
Pension recovery plan	7,856	11,522
	<u>544,918</u>	<u>4,757,719</u>

Deferred Income

Opening balance	56,674	51,415
Released in year	(56,674)	(51,415)
Deferred income for year	6,926	56,674
	<u>6,926</u>	<u>56,674</u>

Deferred income relates to four items of income received in 2025/26 which relate to work or contracts occurring in 2026/27.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

12. 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 2025	Income	Expenditure	31 March 2026
	£	£	£	£
Capital Grants	1,122,444	-	(18,459)	1,103,985
Digital Evolution	-	163,547	(163,547)	-
Milo	-	140,000	(140,000)	-
Digital Inclusion for Mental Health	241,413	-	(201,981)	39,432
Connecting Scotland & Winter Support	864,084	-	(695,121)	168,963
Connecting Scotland - Care Homes	286,657	-	(123,676)	162,981
DIPDRD (Digital Lifelines)	23,105	350,000	(324,379)	48,726
Social Action Inquiry	1,615	-	-	1,615
Longitudinal Research	27,008	101,000	(50,763)	77,245
Village Halls	22,117	38,000	(19,194)	40,923
Scottish Government - Third Sector Cyber Resilience	114,288	69,503	(129,231)	54,560
SUMIT- Peaceplus	-	69,144	(63,342)	5,802
Growing Climate Confidence	45,501	91,600	(78,864)	58,237
Total	2,748,233	1,022,794	(2,008,557)	1,762,470

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026
Restricted Funds: movements in the prior 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 Inquiry	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

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 (Charter Fund)- 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.

Digital Evolution - an ongoing project supported by Wm Grant Foundation, Esmée Fairbairn Foundation, and The Robertson Trust to support voluntary sector organisations throughout Scotland to rapidly grow their digital capacity through support, training, and advice.

Connecting Scotland/ Care Homes - 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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

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 a longitudinal panel study with 800 third sector organisations across Scotland. The Tracker is managed by DJS Research and SCVO, funded by Scottish Government

Digital Inclusion for 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.

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.

SUMIT- a partnership with Queen's University Belfast, Trinity College Dublin, St Andrew's University and the Digital Health and Care Innovation Centre. SUMIT is supported by PEACEPLUS, a programme managed by the Special EU Programmes Body (SEUPB).

13. Designated Funds

	2026	2025
	£	£
Balance at 1 April	173,057	266,030
Transfer to general funds	(124,697)	(92,973)
Balance at 31 March	48,360	173,057

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026
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.

14. Pension Fund

	2026	2025
	£	£
Balance at 1 April	(11,522)	(129,802)
Movement in defined benefit obligation	(445)	(11,856)
Transfer from general funds	4,111	130,136
Balance at 31 March	(7,856)	(11,522)

15. General Funds

	2026	2025
	£	£
Balance at 1 April	5,067,532	5,669,930
Income	4,638,671	5,528,485
Expenditure (including pension revaluation)	(5,422,294)	(6,105,576)
Transfer from designated funds	124,697	92,973
Transfer to pension fund	(3,666)	(118,280)
Balance at 31 March	4,404,940	5,067,532

16. Analysis of Net Assets between Funds

	Restricted Funds	Designated Funds	Pension Fund	General Funds	2026 Total
	£	£	£	£	£
31 March 2026					
Tangible fixed assets	-	48,360	-	810,000	858,360
Net current assets	1,762,470	-	(7,856)	3,594,940	5,349,554
	1,762,470	48,360	(7,856)	4,404,940	6,207,914

	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
	2,748,233	173,057	(11,522)	5,067,532	7,977,300

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026**

17. 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.

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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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

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 2026 £	31 March 2025 £	31 March 2024 £
Present value of provision	-	-	125,495

Reconciliation of opening and closing provisions

	Period Ending 31 March 2026 £	Period Ending 31 March 2025 £
Provision at start of period	-	125,495
Unwinding of the discount factor (interest expense)	-	250
Deficit contribution paid	-	(125,745)

Income and Expenditure impact

	Period Ending 31 March 2026 £	Period Ending 31 March 2025 £
Interest expense	-	250
Remeasurements – impact of any change in assumptions	-	25

Assumptions

	31 March 2026 % per annum	31 March 2025 % per annum	31 March 2024 % per annum
Rate of discount	5.14	4.98	4.90

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

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 2026 £	31 March 2025 £	31 March 2024 £
Year 1	-	-	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 2025. As of this date the estimated employer debt for SCVO is £2,571,025 (September 2024: £3,409,619)

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 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

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 2025 to 31 March 2028:	£2,100,000 per annum (payable monthly and increasing by 3% each year 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 year 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.

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 2026 £	31 March 2025 £	31 March 2024 £
Present value of provision	7,856	11,522	4,307

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026
Reconciliation of opening & closing provisions

	Period Ending 31 March 2026 £	Period Ending 31 March 2025 £
Provision at start of period	11,522	4,307
Unwinding of the discount factor (interest expense)	451	114
Deficit contribution paid	(4,111)	(4,391)
Remeasurements - impact of any change in assumptions	(6)	73
Remeasurements - amendments to the contribution schedule	-	11,419
Provision at end of period	7,856	11,522

Income and expenditure impact

	Period Ending 31 March 2026 £	Period Ending 31 March 2025 £
Interest expense	451	114
Remeasurements – impact of any change in assumptions	(6)	73
Remeasurements – amendments to the contribution schedule	-	11,419

Assumptions

	31 March 2026 % per annum	31 March 2025 % per annum	31 March 2024 % per annum
Rate of discount	4.92	4.84	5.31

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:

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026
Deficit contributions schedule

Year ending	31 March 2026 £	31 March 2025 £	31 March 2024 £
Year 1	4,111	4,111	4,391
Year 2	4,111	4,111	-
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 2025. As of this date the estimated employer debt for SCVO is £30,988 (September 2024: £42,926).

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 2025.

18. Leasing Commitments

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

	2026 £	2025 £
Falling due:		
Within 1 year	31,448	38,477
In 1 to 5 years	9,863	39,450
	41,311	77,927

19. Lessor Income

The total future minimum rental income under operating leases:

	2026 £	2025 £
Expiring within 1 year	30,858	69,149

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2026

20. Analysis of Net Debt

	At 1 April 2025 £	Cashflows £	Other non- cash changes £	At 31 March 2026 £
Cash & cash equivalents				
Cash	9,907,265	(5,431,202)	-	4,476,063
Borrowings				
Debt due within one year	-	-	-	-
Total	9,907,265	(5,431,202)		4,476,063

	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

21. Subsequent events

Fairways House was sold on 2 April 2026 for £850,000.