



Victim Support Scotland

Supporting People affected by crime and keeping them at the heart of
justice in Scotland

2017/2018 ANNUAL REPORT & ACCOUNTS

Scottish Charity Number SC002138
Company Registration Number SC110185

Contents

□ Chair & CEO Report	1
□ Who we are	2
□ Looking ahead	2
□ 2017/2018 Outcomes	3
□ Achievements and Performance	3
□ Structure, Governance & Management	7
□ Reference and Administrative Details	9
□ Financial Review	9
□ Risk Management	11
□ Independent Auditors' Report	14
□ Financial Statements	17

Trustees' Annual Report for year ending 31st March 2018

Chair foreword

This has been a year of significant change as we continue our journey to make Victim Support Scotland a modern, flexible organisation able to reach more people and to deliver high quality services for new and emerging crime types. In July 2017 we conducted an open recruitment competition for the post of Chief Executive Officer. From a large and strong field of applicants, Kate Wallace was appointed and took up post on 30 October.

In August we bade farewell to Susan Gallagher, our Acting Chief Executive Officer who had been leading the organisation for just over three years. Having been a significant part of VSS for several years, Susan took us through challenging transitional times as CEO and the Board is extremely grateful for her contribution.

Our new CEO, Kate Wallace has led work on a new three year strategic plan for the organisation, which has been approved by the Board and endorsed by our major funders, the Scottish Government.

Our vision is to be a well-governed, well-led, well-managed, resilient organisation that is purpose-led (lives it's values) and adapts to changing needs.

We aspire to be an organisation that works in partnership with others and delivers high quality support services as measured by better outcomes for our service users.

We are developing a comprehensive and bold programme for 2018-2021 to deliver our vision and aspirations.

Since the New Year in 2018, there has been considerable activity to engage staff and volunteers in working together to develop ourselves into the organisation we aspire to be. The next year will see us move into delivery of the first phase – an exciting prospect.

Alastair MacDonald

Chief Executive foreword

Since joining VSS last year, I've been hugely impressed by the commitment and effort of our staff and volunteers to helping people affected by crime. There have been too many highlights to mention them all here.

One of my main priorities throughout the year has been putting in place the groundwork so that we can create a new future for VSS that builds on our proud history over the last thirty years and ensures we remain at the heart of supporting victims and witnesses for many years to come.

Over the last few months, I've been speaking to staff, volunteers, board members, partner organisations, the Scottish Government and many others – including victims and witnesses – to understand where we are now, where we want to be and what we need to do to get there.

This is all captured in our new organisational strategy entitled 'Victims and Witnesses First: VSS Strategy 2018-2021'. I'm delighted to say that after three years of annual funding we have secured a three-year funding deal from the Scottish Government based on the commitments we have made.

Our mission still is to ensure that those affected by crime receive high quality support that will help them to recover from their experiences. To achieve that, we have four areas that we will focus on, described below and backed up by a detailed action plan.

In 2021, I want us all to look back and see that we have created a more effective organisation that is making a lasting difference to people. We want victims and witnesses to have improved well-being, feel safer and more secure, and be better informed.

Kate Wallace

Who we are

Victim Support Scotland is the leading charity dedicated to helping people affected by crime across Scotland. We work to relieve distress, poverty and sickness in people who are affected by a crime as a victim, witness or family member. We achieve this through the dedicated work of volunteers, supported by paid staff in Sheriff and High Courts as well as service centres in all local authority areas of Scotland. We are independent, free and confidential.

VSS advances public education, research and awareness of victims' issues. We act as the voice of people affected by crime, working with policy-makers to shape and drive legislative reform for the benefit of victims and witnesses. We collaborate with government, local authority, criminal justice system, academic and third sector partners to champion victims' rights and improve services.

We provide information, practical help, emotional support and guidance through the criminal justice system. We offer specialist services to support people who face specific crimes including murder, terrorism, rape and sexual assault, domestic violence and hate crime. We empower people to cope with the aftermath of a crime and find the strength to move on with their lives.

Looking ahead

This report is the last to detail the progress we have made under our previous three-year strategic plan (2015-2018). Our future goals come from our new strategic plan for 2018-2021 with the following aims:

1. **Deliver** high quality support for anyone affected by crime that needs it.
2. **Build** partnerships and alliances with other organisations so all people affected by crime are well supported.
3. **Champion** the rights of victims, witnesses and those affected by crime.
4. **Develop** VSS to enable the delivery of excellent needs-led services.

Deliver

To continue to deliver high quality support for anyone affected by crime we will develop new service models and approaches to answer unmet need. This will include a new digital service delivery approach, using website and mobile technology, and the planning, piloting and introduction of a new homicide service by 2021.

In partnership with other support and criminal justice organisations, we will plan a new Victim-Centred Support Model enabling people affected by crime to be supported by the appropriate agency and to receive a consistent level of service in their journey through the criminal justice system.

Build

It is important that we increase engagement with the communities in which we work and those we are yet to reach. We will raise our visibility across a range of national and local, crime type, age, Lesbian, Gay, Bisexual, Transgender and Intersex and Black and Minority Ethnic communities. We will continue to develop effective partnerships with key community groups and support agencies, keeping the needs of people affected by crime at the centre of our collaborative working.

Champion

We serve as the voice of people affected by crime, and will put in place structures for service user involvement in policy influencing and VSS developments. We will prepare a co-production strategy with increased service user engagement in the development of our work, ensuring we deliver an effective and meaningful service.

Develop

We will develop the organisation to enable the delivery of excellent needs-led services by redesigning our structures and resources. We will establish a fundraising function and strategy, and develop further strategies in the areas of equality and diversity, organisational development, volunteering, community engagement, and capability and capacity building. We will implement quality improvement frameworks, such as Investors in People or Investors in Volunteers, to ensure consistency in staff and volunteer service delivery.

2017/18 Outcomes

Throughout the year, VSS contributed to the Scottish Government's Justice Strategy for Scotland, which calls for a just, safe and resilient Scotland. Our work has furthered key strategic priority areas, including:

- we live our lives safe from crime, disorder and danger
- we have strong, resilient and supportive communities
- we live longer healthier lives
- we have improved life chances for children, young people and families at risk

We have helped to achieve these strategic priorities by delivering positive outcomes for people affected by crime, particularly the following:

Improved health and wellbeing

We have focused on reducing an individual's stress and anxiety while increasing their self-confidence and self-esteem. This means they can cope better with trauma, have increased resilience and can move on with their lives.

Increased safety

We have helped victims to feel safer in their homes, less vulnerable and more empowered. As a result, our service users are less likely to be re-victimised and have greater self-confidence to give their best evidence in court.

Feeling informed

We guided individuals through the Criminal Justice System, providing information personalised to their own unique victim or witness experience and the details of their case. This bespoke support reduces confusion and distress.

Achievements & performance

Our strategic aims for the 2017/18 year were set by our three-year strategic plan (2015 -2018). They were:

- Supporting victims and witnesses
- Investing in our people
- Improving rights
- Building for our future

1. Supporting victims and witnesses

Our dedicated staff and volunteers provided personalised and specialised support in a range of areas and via a number of channels, with an objective to maintain and improve the delivery of support to victims and witnesses.

Victim Services

Our community-based victim services helped over 53,000 people affected by crime to access

information, navigate through the criminal justice system and cope better in the aftermath of a crime. We made personal contact with victims on 37,019 occasions.

We contacted victims of serious crime within one day of receiving a referral, exceeding the two-day target set by the Scottish Government.

We operate a national helpline service which is available to support anyone affected by crime, and is open Monday - Friday between 8am-8pm. During the year it assisted 4,383 callers who contacted us through the helpline and made 33,945 proactive telephone calls to victims offering initial help and access to further support from our local services.

Witness Services

Our court-based witness services assisted 107,383 people at court. We supported over 22,000 vulnerable witnesses, such as children and victims of sexual assault, domestic abuse and stalking, helping them to give their best evidence at court. We provided in-court support to 4,425 witnesses, so that they had increased confidence to give the best evidence possible and 2,104 witnesses took up the offer of a court familiarisation visit in advance of the trial.

We continued to deliver the Scottish Government-led Justice of the Peace Court pilot to help witnesses aged 16 and 17 appearing at Justice of the Peace courts across Scotland. We provided information about the Criminal Justice System and supported 110 vulnerable young people, giving them confidence in court, reducing stress and improving their health and wellbeing.

23,990 Men 25,259 Women	3,731 Children and Young People	162 Families affected by murder	22,325 Vulnerable witnesses	3,399 Domestic abuse cases	1,776 Rape and sexual assault cases
13,664 Victims of violent crimes	894 Victims of hate crime cases	2,125 Victims of antisocial behaviour cases	107,383 Contacts with witnesses* *we may have contact with individuals on more than one occasion	2,104 Courts familiarisation activities	1 day Average time taken make contact with victims of serious crime

Antisocial behaviour support

We run nine dedicated projects across several local authorities in Scotland to provide help and support to victims and families experiencing antisocial behaviour. Staff in these projects supported 2,125 victims of antisocial behaviour and raised awareness with partner agencies and local communities on issues around antisocial behaviour.

Choose Life

Our dedicated suicide intervention service in Perth and Kinross, Choose Life, supports victims of crime who feel they can no longer bear to live and may resort to suicide, have suicidal thoughts, or use self-harming as a way of coping. During the year, the Choose Life service met with 43 victims and witnesses of crime who displayed mental trauma resulting in suicide ideation and/or self-harm, 30% of whom had been victims of serious violent crime. Our dedicated Choose Life support worker provided 250 face to face support appointments with these service users.

Outcome measurement and reporting pilot

Throughout the year we worked with Evaluation Support Scotland (ESS) on a pilot to further develop our capacity to gather and report on outcomes. The resulting outcome measurement and reporting programme has now been rolled out across all services in Scotland.

2. Investing in our people

By investing in our staff and volunteers, we can better create a skilled, motivated workforce of staff and volunteers.

Staff

The hard work and dedication of the talented people who work for Victim Support Scotland ensure we achieve our objectives and provide services that are effective. Our staff continually provide high quality support and commitment to people affected by crime.

To identify future development needs of our staff we implemented an enhanced performance management appraisal framework, which has also resulted in a more consistent approach. We began the first stages of assessing VSS against Investors in People as part of our commitment to continuous improvement as an employer. We focused on increasing the salaries of lowest paid staff and in the process successfully achieved Real Living Wage accreditation.

Volunteers

Our volunteers are critical to frontline service provision across the country. Volunteers perform a wide variety of roles, from giving information and advice through to fundraising and administration. Some have been with us for more than 30 years and we are extremely grateful to all of them for their commitment and contribution.

We started the process of assessing VSS against Investors in Volunteers as part of our commitment to better training, developing and supporting volunteers. We continued an on-going programme to recognise and reward our volunteers by involving them in a film to highlight our work to our patron, HRH The Princess Royal, as well as the opportunity to meet her in early 2018. We celebrated the commitment and dedication of our volunteers at an award dinner, where we recognised and thanked people for their long service.

Our 511 operational volunteers gave around 87,200 hours during 2017/18 to support victims and witnesses of crime in communities and courts across the country. This figure equates to approximately 56 full time staff and a cost of £1.3m. Other volunteers contributed a total of 3,879 hours in the year.

Our paid staff provide support to volunteers through management, training and development.

Volunteer Annual Hours

Purpose	2017/2018 Number	2017/2018 Estimated Hours	2016/2017 Number	2016/2017 Estimated Hours
Operational volunteers	511*	*87,208	524	107,256**
Trustees	12	1,600		1,545
Administration	5	650		848
Area Committees	20	642		874
Other (including fundraising & IT volunteers)	9	987		1,140
Total volunteers and volunteering hours	562	91,087	573	111,663

* Five operational volunteers also volunteered in other capacities, for example as trustees or fundraisers.

**Sample weeks were used to estimate annual volunteer hours.

The estimated number of volunteer hours fell in comparison to previous years due to two significant policy changes which affected the work carried out by volunteers in our Victim Services. An anticipated change to the Police Scotland victim referral protocol in relation to the Victims and Witnesses Act (Scotland) 2014 significantly reduced the number of victims who were automatically offered our help. We are working closely with Police Scotland on a range of solutions to ensure that victims are made aware of the help and support that is available.

Additionally, in 2017/18 we were found against following a legal challenge related to support given on a Criminal Injuries Compensations Award claim. Because of this, we decided immediately (from 21 December 2017) to refer victims to other sources of help for making compensation claims, rather than

supporting victims with this process directly. VSS is continuing to take legal advice on this matter and this is an on-going issue for us. This meant we required less volunteer time to support this process.

Training

Our training department offers courses internally and externally to improve support for people affected by crime. We provide training for staff and volunteers to develop skills to meet the changing needs of victims and witnesses, such as outcome measurement, Safelives (domestic abuse) and children's rights (based on United Nations Convention for the Rights of the Child).

We achieved Continuing Professional Development (CPD) certification for the core suite of courses that we deliver internally and externally, ensuring a high level of proficiency for all training participants. CPD accreditation means that our courses are structured, educational and relevant at an industry standard level and that course completion will count towards participants' CPD requirements as set by employers.

186 new volunteers trained	224 existing volunteers trained on advanced level courses	207 new volunteers recruited
23 staff recruited	564 staff training days attended (places on in-house training courses taken up by staff)	346 online training courses available to staff through the charity learning consortium

3. Improving rights

We worked hard to improve rights for people affected by crime and developed strong partnerships with key stakeholders to represent the needs and interests of victims and witnesses.

Policy and advocacy

In 2017/18 we responded to upwards of 30 consultations pertaining to victims and witnesses of crime. This included providing the Scottish Justice Committee written and oral evidence to shape new Domestic Abuse laws in Scotland.

This year so far we have provided formal written responses on victim and witness issues once every nine days and we continue to collaborate with our partners to ensure any changes in the justice sector are done with the interests of victims and witnesses in mind.

Particular highlights include the significant role we played in the passage of the new Domestic Abuse (Scotland) Act 2018, which covers non-physical aspects of domestic abuse such as psychological harm, and provides a stronger criminal justice response to domestic abuse.

We responded to the Scottish Government's consultation on the Pre-Recording of Evidence (Child and Vulnerable Witnesses), supporting the view that children and other vulnerable witnesses should give evidence in advance of a criminal trial, reducing stress and re-trauma before and during a trial.

We endorsed an MSP proposal to bring forward the Protection of Workers (Retail and Age-Restricted Sales Etc.) (Scotland) Bill providing a clear threshold at which obstructive, abusive or threatening behaviour is considered a crime in its own right. This protects people in an environment where they are particularly vulnerable, due to both employment and financial uncertainty and an inability to return to work due to a fear of attack or physical injury.

We chaired the Victims' Organisations Collaboration Forum Scotland (VOCFS), an initiative that aims to advocate changes and improve the position and experiences of people affected by crime in Scotland. VOCFS examined and provided recommendations on relevant statutory partners' progress reports regarding standards of service for victims and witnesses.

4. Building for the future

During the year, we ensured we were fit to deliver the best possible service to victims and witnesses of crime across Scotland through a range of means.

We developed and secured funding for our new three-year strategic plan, 'Victims and Witnesses First, 2018-2021'. This provides a more stable platform from which to deliver services to victims and witnesses. During the year we identified specialised areas of unmet need that have been included in our new strategy.

We strengthened and widened the skills and experience base of our leadership team by recruiting seven new trustees in June 2017. We appointed a new CEO in October 2017, who embarked on a programme to create a purpose-led leadership team comprised of staff from across the organisation. To inform our future income generation strategy, we commissioned an external fundraising strategy review and a prospect analysis of possible funding from trusts and foundations was conducted in the year. This will feed into the 2018-2021 strategy.

In order to raise our referral rates, we worked closely with one of our key partners, Police Scotland, to ensure that their officers were aware of the help and support that VSS can provide to victims in the aftermath of crime. We raised awareness of our services by providing information to frontline officers through a range of approaches including on-the-job briefings, awareness sessions and input at formal training courses.

We established the posts of Digital Marketing Manager and Standards and Improvement Manager to raise brand awareness across a range of platforms and ensure quality assurance is embedded across the organisation, respectively.

We used various digital and technological solutions to increase the efficacy of our services. We expanded the use of cloud-based digital solutions for staff and volunteers to include collaboration tools that provide an online space for information sharing and real-time collaboration among remote and dispersed services. We used new technology to record person-centred outcomes, enhancing reporting consistency by developing an online form for use in community outreach locations and in unstaffed courts.

We benchmarked our governance structures against good practice models and amended our articles of association as well as identified improvements that were implemented during the year. We will continue to review and develop our governance and will enhance this with an independent review.

Structure, governance and management

Victim Support Scotland is a private company limited by guarantee incorporated on 31 March 1988 and is registered as a charity with the Office of the Scottish Charity Regulator. The company is governed by its articles of association that were amended in 2017/18 to limit the length of service on the board of trustees to nine years. Under the terms of this document, the strategic policy and direction of the organisation and the implementation of this is vested in its board of trustees. The trustees are the directors of the company and the trustees for the purposes of charity legislation.

VSS is a membership organisation and each company member has one vote. There is an upper limit of 40 members of VSS. A full list of the members is available on request from the registered office. Trustees are appointed for an initial term of three years and may thereafter be re-elected for an additional three-year period. In exceptional circumstances, a final additional three-year term may be approved subject to a 75% endorsement by the residual trustees. The maximum total length of service as a trustee, irrespective of any office bearing positions held or gaps in service, is nine years.

Appointment of trustees

The articles state that the maximum number of trustees is 12. VSS currently has 12 trustees on the board, with no trustees scheduled to step down at our AGM in 2018. At the AGM in September 2017, the co-opted trustees were appointed as full trustees, Fiona Young was appointed for a second term, and Alastair MacDonald - who had been co-opted as Chair during the year - was formally appointed as Chair. Details of changes to trustees during the year are listed on page 9.

Trustees' recruitment, induction, training and development

We ran a major campaign to attract new trustees to build the strength of the board. Using a search consultancy and advertising widely, we focused on legal and financial organisations to promote the board opportunities. The campaign attracted much interest and identified seven new trustees with a broad range of skills and expertise across different sectors. The candidates were subject to interviews prior to selection and recommendation for appointment being made at the AGM.

Induction programmes were developed for all new trustees incorporating a comprehensive induction pack and a schedule of visits across the country to build knowledge and an understanding of our organisation.

Throughout the year, trustees committed to personal and collective development opportunities achieved through self-learning, a facilitated board development day and attendance at professional seminars.

Key management personnel remuneration

The board of trustees, the CEO and senior management team comprise the key management personnel of the charity in charge of managing the charity on a day-to-day basis. The trustees are volunteers and do not receive remuneration. Details of trustees' expenses reimbursed are disclosed in note 7 in the accounts.

All staff roles (including senior roles) are evaluated using a bespoke job evaluation tool and set within job and pay grades benchmarked against the median point of the Croner Charity Rewards survey, which is recognised as the main provider of UK charities' salary data.

Committee structure

The **board of trustees** provides strategic leadership, governance, direction and overall accountability. The board decides the organisation's strategic direction, mission and priorities. It ensures that VSS complies with its governing documents, charity and company law and other relevant legislation. In addition, the board scrutinises, evaluates and accounts for the organisation's performance, ensuring that there is an effective risk management system in operation to safeguard sustainability, finances and otherwise to protect its assets and reputation and always act in the interests of the organisation. The board meets every two months.

The **finance and audit committee** provides a strategic overview of VSS's financial and fiscal position to ensure that all the financial resources necessary are secured and managed effectively to deliver the objectives in the organisation's corporate plan, to ensure the long-term sustainability and viability of the organisation, and to ensure the effective management of the financial risks which may threaten the organisation. This committee meets quarterly.

The **governance committee** provides an overview of VSS's governance to ensure that the board fulfils its legal, ethical, and functional responsibilities, and ensures that adequate governance policy development, recruitment strategies, training programs and monitoring of board activities, and evaluation of board members' performance is in place. This committee met twice during the financial year.

All committees make recommendations to the board of trustees on a regular basis on matters within their remits.

Reference and administrative details

President

HRH, The Princess Royal

Directors & trustees

The trustees of the charity are its directors for the purposes of company law. The directors serving during the period are as follows:

Alastair MacDonald

Liz Taylor

Jon Turner (appointed 22 September 2017)

Fiona Young

Kirsten Gilbert

Alex Gauld

Desmond O'Brien (resigned 22 September 2017)

David Alexander (appointed 22 September 2017)

Laura Battles (appointed 22 September 2017)

Ashok Khindra (appointed 22 September 2017)

Lynne Staples-Scott (appointed 22 September 2017)

George Welsh (appointed 22 September 2017)

James Wilson (appointed 22 September 2017)

Company secretary

Jane Sturgeon

Key management personnel

Kate Wallace, Chief Executive (from 30 October 2017)

Susan Gallagher, Acting Chief Executive (until 31 August 2017)

Alan McCloskey, Director of Operations

Andy Heapy, Director of People Development

Jane Sturgeon, Director of Finance & Administration

Company details

Company Registration Number

SC110185

Scottish Charity Number

SC002138

Registered Office

15-23 Hardwell Close, Edinburgh, EH8 9RX

Our advisors

Auditors

Henderson Loggie, 11-15 Thistle Street, Edinburgh, EH2 1DF

Bankers

The Royal Bank of Scotland plc., 2 Blenheim Place, Edinburgh, EH7 5JH

Solicitors

Turcan Connell, Princes Square, 1 Earl Grey Street, Edinburgh, EH3 8UL

Davidson Chalmers LLP, 12 Hope Street, Edinburgh, EH2 4DB

MacRoberts, 60 York Street, Glasgow, G2 8JX

Burness Paull, 50 Lothian Road, Edinburgh, EH3 9WJ

Pension advisors

Spence and Partners, The Culzean Building, Glasgow, G2 1LU

GDPR and fundraising

Bruce Tait Associates, 12 Pitt Terrace, Stirling, FK8 2EZ

PR and communications

Weber Shandwick, 9 York Place, Edinburgh, EH1 3EB

Insurance advisor

Keegan & Pennykidd, 50 Queen Street, Edinburgh, EH2 3NS

Financial Review

Income

Our total income for the year was £4.6m (2017: £4.7m) a drop of £56k from the previous year. The majority of the reduction was due to the withdrawal of funding streams for two antisocial behaviour support projects and a £4k drop in donations and legacies income.

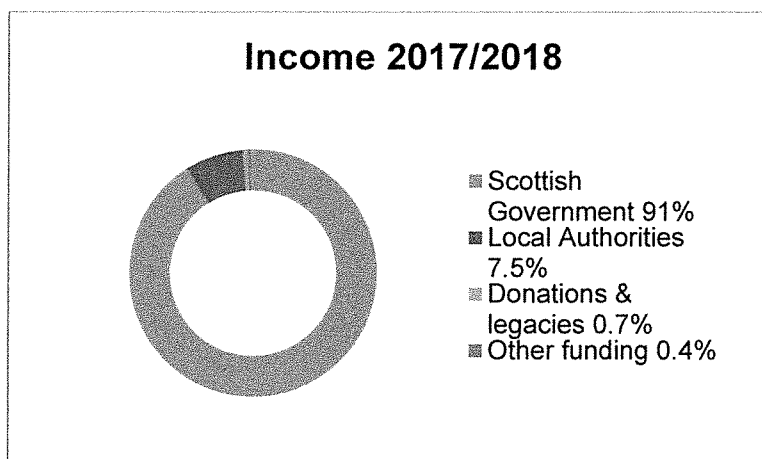
Expenditure

Our total expenditure for the year was £4.6m (2017: £4.5m) – an increase of £23k. Our net income for the year was £74k (2017: £153k). Overall, there was a negative movement of £12,393 with respect to

movement on the pension reserves. This led to a positive net movement in funds for the year of £61k (2017: £103k).

Principal Funding Sources

The principal funding sources for the organisation are grants from the Scottish Government and local authorities and VSS appreciates their continuing support.



Lothian Pension Fund

In 2017/18 VSS successfully negotiated an exit from Lothian Pension Fund (LPF) with an agreed repayment schedule over a 20 year period. The actuarial valuation of VSS's liability was determined as £1.463m at 31 August 2017 and the agreed total level of repayments was settled at £676k. Under certain conditions, LPF may claim additional repayments but these conditions were not met in 2017/18. VSS pay compensatory additional years to a number of ex-staff. These unfunded pension liabilities are recorded separately on the balance sheet.

Principal Financial Risks

The principal financial risks facing us are: the fact that 91% of our funding is from one source, the Scottish Government; continuing reductions in funding from local authorities; the level of unrestricted reserves; and the LPF withdrawal debt that is repayable over 20 years.

In 2017/18 we secured a three-year funding agreement with Scottish Government for 2018-2021. A new income generation strategy, linked to a reserves plan, will be developed in 2018/19. In 2018/19 an interim reserves plan will be developed and rolled out.

Balance Sheet

The pension liability continued to have a significant impact on the balance sheet. However, the agreed exit debt from LPF brings more stability to the balance sheet as this element will not vary with actuarial fluctuations.

Reserves Policy

The trustees recognise the need for unrestricted reserves to be maintained at an appropriate level. Our reserves policy is to maintain a sufficient level of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The policy is reviewed annually by the trustees.

The policy identifies the estimated amounts required to meet financial risk associated with potential contingencies and uncertainties relating to the charity's operating activities. These include:

- the provision for an orderly winding-down of operations in the event of a significant adverse event that is outside the control of the charity
- the funding of unforeseen major projects that have not been provided for in the normal financial planning process

Elements of the target figure will include the costs for redundancy and contractual liabilities for such items as rent of offices. The trustees are working towards having three months running costs in reserves.

Reserves Position at 31 March 2018

The total balance of unrestricted reserves held as at 31 March 2018 is (£241k) (2017: (£294k)). The balance held on restricted reserves as at 31 March 2018 is £327k (2017: £319k). Total funds have increased by £61k to £86k.

The pension liability continues to have a significant impact on reserves. There are 2 components to the pension liability; negotiated exit debt from LPF of (£463,393) at 31 March 2018; and unfunded pension debt of (£137,000) at 31 March 2018. The overall pension reserves at 31 March 2018 are £600k (2017:£588k).

Discounting the impact of the pension liability the position on unrestricted reserves improved from £262k to £355k in the year. The second year of the costed reserves plan was implemented in 2017/2018 and if the impact of the increase to the pension reserve is disregarded, the target set out in plan was met.

Going Concern

The board consider it appropriate to prepare the financial statements on a going concern basis. In reaching this view, we have looked at the budgets prepared for the three-year period 2018-2021. The charitable company's key source of income is the grant from the Scottish Government and a three-year agreement has been confirmed for this period. The trustees recognise the need to supplement this with other sources of income for specific projects.

Investment Policy

The organisation has an instant access bank account where funds not required for day to day activity are held on deposit. Transfers are made as required to cover expenditure in the current account.

The Victims Fund

We established a new Victims Fund specifically to manage and administer funds anticipated from the provisions of the Victims and Witnesses (Scotland) Act 2014. The Fund has been designed to continue to offer help and support to victims and persons affected by crime who find themselves in immediate need of assistance. In 2017/2018 the Scottish Government decided to disburse these funds directly and so the purpose of the two entities that were set up to manage the funds generated from the Victims' Surcharge Fund no longer exists. As a result, the board of trustees has decided to dissolve the Victims' Fund (Trustee) Ltd and Victims' Fund Charitable Trust and this will be completed in 2018/2019.

Victim Support Enterprise Ltd

During 2013/2014 Victim Support Enterprise Ltd suspended trading but has maintained its company status. There has been no activity in 2017/18. The company will play a role as part of our future income generation strategy.

Risk management

It is the responsibility of the board of trustees to ensure that there are effective and adequate risk management and internal controls systems in place. The board reviews all strategic risks and issues at each meeting.

We recognise that effective risk and issue management relies on sound systems and an understanding of risk management throughout all levels of the organisation. A risk and issue management strategy is in place, as well as the following processes and controls:

- Three levels of risk registers and issues logs in place – strategic, senior management and operational
- Escalation process in place between registers so key risks are reviewed by senior management, with regular feedback to the board
- Risk and issue management is core to the agenda of the board, senior management team and operational meetings
- Annual risk workshops carried out by the board and senior management

The board of trustees ensures that all appropriate steps are taken to mitigate and manage the risks and issues facing us. The principal risks faced by the charity and mitigation factors in place are as follows:

Description of risk	Plans and strategies to manage risk
Overly reliant on one funder with annual funding awards making financial planning difficult	<p>We negotiated a three-year funding agreement for 2018-2021 with the Scottish Government, which was the source of 91% of our funding in 2017/18.</p> <p>An external fundraising strategy and trust & foundation prospect analysis was completed in 2017/18. This will inform our income diversification strategy to be developed in 2018/19.</p>
Reduction in referrals	<p>We appointed a Digital Marketing Manager to work alongside our Campaigns and Community Engagement Manager to raise public awareness of our work and increase referrals from a range of services.</p> <p>We tasked our community based services with increasing rates of self-referrals.</p> <p>We worked with Police Scotland on range of national and local approaches to ensure that their officers are aware of the help and support that VSS can provide.</p>
Breach of General Data Protection Regulations (GDPR) could result in a prohibitive fine for the organisation	<p>To prepare for the introduction of GDPR, we employed a legal firm specialising in data protection to independently review our data protection policies, procedures and handbook to ensure they were GDPR compliant. This included identifying data gathering processes, storage and usage practices as well as implementing data protection measures to safeguard service users and anyone coming into contact with VSS.</p> <p>All of our staff and volunteers completed a mandatory online data protection course.</p> <p>We completed a tender exercise to recruit an independent Data Protection Officer in 2017/18 and the successful candidate was appointed in April 2018.</p>
Leadership team (trustees & senior management) were stretched due to low numbers	<p>Seven new trustees were appointed with a wide range of skills and experience. The trustees went through a thorough induction process, received governance training and attended development sessions.</p> <p>We recruited a new CEO with the relevant skills to drive the organisation forward.</p>
That legal action will be brought against VSS with respect to services provided	<p>We took legal advice on best approach to handle risks.</p> <p>We set up a response group, which meets regularly, and ensured lessons learned are embedded in best practice.</p> <p>We put in place a communications strategy to cover key areas of risk and ensure appropriate internal and external response.</p>

Statement of Directors' Responsibilities

The charity directors (who are also the trustees of Victim Support Scotland for the purposes of charity legislation) are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the year and of the surplus, or deficiency for the year then ended.

In preparing those financial statements, the Board of Directors are required to:

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

The Board of Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditors

In so far as the Board of Directors is aware, at the time of approving the directors' annual report:

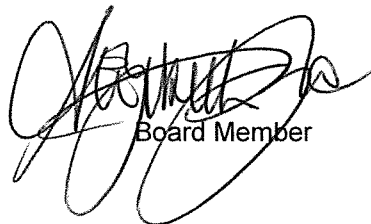
- there is no relevant audit information of which the company's auditors are unaware, and
- the Board of Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to small companies.

Signed by order of the Directors



Alastair MacDonald
Chair



Board Member

28 August 2018

VICTIM SUPPORT SCOTLAND INDEPENDENT AUDITORS' REPORT YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Victim Support Scotland (the 'charitable company') for the period ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

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

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

We have nothing to report in this regard.

VICTIM SUPPORT SCOTLAND INDEPENDENT AUDITORS' REPORT YEAR ENDED 31 MARCH 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

**VICTIM SUPPORT SCOTLAND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 MARCH 2018**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.



James Davidson (Senior Statutory Auditor)
For and on behalf of Henderson Loggie
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
11-15 Thistle Street
Edinburgh
EH2 1DF

Date

28 August 2018

VICTIM SUPPORT SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Income from:					
Donations & legacies	2	6,606	23,301	29,907	33,525
Charitable activities	2	4,228,866	370,462	4,599,328	4,654,220
Other trading activities	2	5,466	1,874	7,340	4,138
Investments	2&8	321	-	321	634
Total income and endowments		4,241,259	395,637	4,636,896	4,692,517
Expenditure on:					
Raising funds	3	1,405	-	1,405	5,069
Charitable activities					
Direct	4	58,075	3,021,629	3,079,704	3,245,846
Indirect	4	1,482,009	-	1,482,009	1,289,194
Total expenditure		1,541,489	3,021,629	4,563,118	4,540,109
Net gains on investments	10	49	-	49	218
Net income/(expenditure)		2,699,819	(2,625,992)	73,827	152,626
Transfers between funds					
Gross transfers between funds	16	(2,634,486)	2,634,486	-	-
Other recognised (losses)/gains					
Actuarial (losses) on defined benefit pension scheme	21	(12,393)	-	(12,393)	(256,000)
Net movement in funds		52,940	8,494	61,434	(103,374)
Reconciliation of Funds					
Total funds brought forward	16	(294,076)	318,683	24,607	127,981
Total funds carried forward	16	(241,136)	327,177	86,041	24,607

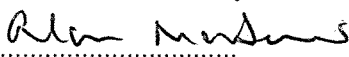
All the activities of the Company are classed as continuing
The Company has no gains or losses other than the results for the year as set out above.
The notes on pages 20 to 33 form part of these financial statements.

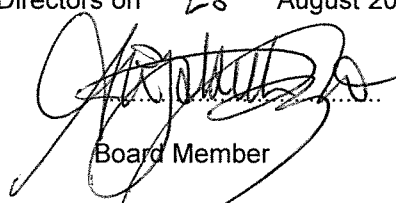
**VICTIM SUPPORT SCOTLAND
BALANCE SHEET
YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	9	6,327	34,927
Investments	10	635	586
Total fixed assets		<u>6,962</u>	<u>35,513</u>
Current Assets			
Debtors	11	406,913	115,704
Cash at bank and in hand		705,060	924,350
Total current assets		<u>1,111,973</u>	<u>1,040,054</u>
Liabilities			
Creditors: Amounts falling due within one year	12	(466,301)	(462,960)
Net current assets		<u>645,672</u>	<u>577,094</u>
Total Assets less current liabilities		<u>652,634</u>	<u>612,607</u>
Creditors: Amounts falling due after more than one year	13	(429,593)	-
Pension liability	21	(137,000)	(588,000)
Net assets including pension liability		<u>86,041</u>	<u>24,607</u>
FUNDS			
Unrestricted – General excluding pension reserve	16	355,482	261,549
LPF Exit Liability Pensions reserve	16	(463,393)	-
LPF Unfunded Pensions Reserve	16	(137,000)	(588,000)
Designated – Fixed Assets Reserve	16	3,775	32,375
Restricted	16	327,177	318,683
TOTAL FUNDS		<u>86,041</u>	<u>24,607</u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies' regime in Part 15 of the Companies Act 2006.

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


.....
Alastair MacDonald
Chair


.....
Board Member

The notes on pages 20 to 33 form part of these financial statements.

Company Registration number: 110185

**VICTIM SUPPORT SCOTLAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flow from operating activities	20	(219,611)	457,904
Net cash (used in)/provided by operating activities:		<u>(219,611)</u>	<u>457,904</u>
Cash flows from investing activities:			
Interest income	2	321	634
Net cash provided by investing		<u>321</u>	<u>634</u>
Change in cash in the reporting period		<u>(219,290)</u>	<u>458,538</u>
Total cash and cash equivalents at the beginning of the year		924,350	465,812
Total cash and cash equivalents at the end of the year		<u>705,060</u>	<u>924,350</u>

VICTIM SUPPORT SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)* (effective 1 January 2015) (Charities SORP (FRS 102)).

Victim Support Scotland is a public benefit entity. The financial statements have been prepared in accordance with the Companies Act 2006, applicable accounting standards, Charities SORP (FRS 102), 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).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment assets. These are prepared in sterling, rounded to the nearest pound.

These financial statements contain information about Victim Support Scotland as an individual charity and do not contain consolidated financial information including Victim Support Enterprises, which is a wholly owned dormant subsidiary, as the results and net assets are not material to the group as a whole.

Going concern

The Board consider it appropriate to prepare the financial statements on a going concern basis. In reaching this view, we have looked at the budgets prepared for the 3 year period 2018-2021. The charitable company's key source of income is the grant from the Scottish Government and a 3-year agreement in principle has been confirmed for this period. The Directors recognise the need to supplement this with other sources of income for specific projects.

Income

Income from charitable activities and other trading activities is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions that must be met before the charity has unconditional entitlement, and these conditions have not yet been met.

Donations and legacies and investment income are included in the year in which they are receivable, which is when the charity becomes entitled to the resources.

Donated Services and Facilities

The volunteer time is not recognised in the accounts but the hours donated are quantified in the Directors' annual report.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

VICTIM SUPPORT SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

- Expenditure on raising funds is the costs associated with attracting donations & legacies.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and an allocation of governance costs.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA in full on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly or using another appropriate basis.

Foreign currency transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the statement of financial activities.

Fixed assets

Tangible fixed assets costing more than £5,000 are capitalised and stated at cost and depreciated over their useful economic lives at the following rates:

Leasehold Improvements	Straight line over remaining lease term
Fixtures and Fittings	20% straight line
Computer & Office Equipment	33.3% straight line

Investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value at the balance sheet date by reference to the Stock Exchange mid prices. Realised and unrealised gains and losses are charged or credited in the statement of financial activities. The charity has no complex financial instruments and as the value of investment is not material to the charity, investments do not present a material financial risk.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party in the future and the amount due to settle obligations can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

VICTIM SUPPORT SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

Pensions

Victim Support Scotland contributed to the Lothian Pension Fund in the period 1.4.17 – 31.8.17 at rates set by the Scheme Actuary and advised to the Board of Directors by the Scheme Administrator. VSS negotiated an exit from this scheme - see note 20 for more details. Victim Support Scotland contributes 5% of gross salary to a Standard Life Group Pension Scheme.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination payments

All termination payments made in the year are recognised in the expenditure in the Statement of Financial Activities. If there is a demonstrable commitment at the year-end either to terminate the employment of staff or provide termination benefits as a result of an offer to encourage voluntary redundancies such payments will be recognised as a liability and as expenditure. In this instance termination benefits will be the best estimate of the expenditure required to settle the obligation at the reporting date.

Financial instruments

The charity only enters into basic financial instruments. Financial assets are initially measured at transaction price and subsequently held at cost, less any impairment. Financial liabilities are initially measured at transaction price and subsequently held at amortised cost.

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

2. INCOME

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Donations & Legacies				
Donations	6,106	11,093	17,199	17,443
Legacies	-	12,208	12,208	7,728
Grants of a general nature	500	-	500	8,354
Total donations & legacies income	6,606	23,301	29,907	33,525

2017 total comprises £8,646 of unrestricted income and £24,879 of restricted income

Charitable Activities

Scottish Government:- revenue	4,217,000	-	4,217,000	4,217,000
Aberdeen City Council	-	15,000	15,000	15,000
Aberdeenshire Council	-	15,842	15,842	15,685
Angus Council	-	6,800	6,800	6,769
City of Edinburgh Council	-	43,876	43,876	45,971
Dumfries & Galloway Council	-	17,000	17,000	17,000
Dundee City Council	-	51,800	51,800	49,950
East Ayrshire Council	-	10,700	10,700	10,700
Fife Council	-	-	-	33,793
Glasgow City Council	-	13,920	13,920	13,920
The Highland Council	-	6,277	6,277	6,277
Inverclyde Council	-	5,000	5,000	5,000
North Ayrshire Council	-	21,264	21,264	23,432
North Lanarkshire Council	-	11,888	11,888	12,514
Orkney Council	-	2,484	2,484	2,459
Perth & Kinross Council	-	12,651	12,651	14,451
Renfrewshire Council	-	14,493	14,493	23,986
Scottish Borders Council	-	16,000	16,000	16,000
South Ayrshire Council	-	10,000	10,000	10,000
South Lanarkshire Council	-	31,664	31,664	31,664
Stirling Council	-	4,230	4,230	2,232
West Dunbartonshire Council	-	8,441	8,441	17,000
West Lothian Council	-	29,873	29,873	29,765
European contributions	-	-	-	503
Victims Fund	-	-	-	10,000
Foreign & Commonwealth Office	-	(774)	(774)	(7,500)
Glasgow Community Justice Authority	-	-	-	2,500
Terrence Higgins Trust	-	5,833	5,833	-
Trusts	-	16,200	16,200	8,500
Delivery of training	11,858	-	11,858	19,358
Other	8	-	8	291
Total charitable activities income	4,228,866	370,462	4,599,328	4,654,220

2017 total comprises £4,236,861 of unrestricted income and £417,359 of restricted income

Other trading activities

Room hire	4,631	-	4,631	2,034
SVQ fees	700	-	700	1,113
Café Takings	-	1,874	1,874	971
Other	135	-	135	20
Total other trading activities income	5,466	1,874	7,340	4,138

2017 total comprises £2,667 of unrestricted income and £1,471 of restricted income

Investment income	321	-	321	634
<i>2017 total comprises £634 of unrestricted income</i>				
Total income and endowments	4,241,259	395,637	4,636,896	4,692,517

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

3. RAISING FUNDS EXPENDITURE

	2018 Unrestricted	2018 Restricted	2018 Total	2017 Total
	£	£	£	£
Donations & legacies	726	-	726	4,358
Other trading activities	679	-	679	711
Total raising funds	1,405	-	1,405	5,069

2017 total comprises £5,069 of unrestricted expenditure.

4. CHARITABLE ACTIVITIES EXPENDITURE

	2018 Unrestricted	2018 Restricted	2018 Total	2017 Total
	£	£	£	£
<i>Direct - Relating to Victim & Witness Service</i>				
Salaries & staff costs	43,429	2,390,329	2,433,758	2,508,723
Volunteer costs	14,646	115,885	130,531	119,459
Office accommodation costs	-	267,214	267,214	298,716
Office running costs	-	218,321	218,321	216,069
Publicity & advertising	-	9,720	9,720	38,133
Staff training & Conferences	-	1,153	1,153	24,981
Legal Fees	-	2,768	2,768	8,400
Redundancy & termination costs	-	-	-	6,741
Other costs	-	4,228	4,228	13,521
	58,075	3,009,618	3,067,693	3,234,743

	2018 Unrestricted	2018 Restricted	2018 Total	2017 Total
	£	£	£	£
<i>Relating to Specific Funded Projects</i>				
Consultancy	-	2,397	2,397	-
Office running costs	-	74	74	77
Victims Fund costs	-	9,527	9,527	10,713
Legal Fees	-	13	13	313
	-	12,011	12,011	11,103

Total direct charitable activities	58,075	3,021,629	3,079,704	3,245,846
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2017 total comprises £43,411 of unrestricted expenditure and £3,202,435 of restricted expenditure.

	2018 Unrestricted	2018 Restricted	2018 Total	2017 Total
	£	£	£	£
<i>Indirect charitable activities</i>				
Salaries & staff costs	624,652	-	624,652	597,696
Office accommodation costs	155,587	-	155,587	168,792
Office running costs	360,471	-	360,471	326,786
Publicity & advertising	62,362	-	62,362	35,066
Staff training & Conferences	44,992	-	44,992	57,618
Legal Fees	31,583	-	31,583	8,849
Consultancy	144,113	-	144,113	102,670
Redundancy & termination payments	26,832	-	26,832	-
Governance costs	31,417	-	31,417	30,717
Other costs	-	-	-	(39,000)
Total indirect charitable activities	1,482,009	-	1,482,009	1,289,194

2017 total comprises £1,289,194 of unrestricted expenditure.

**VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

5. GOVERNANCE COSTS

	2018	2017
	£	£
Executive Board Expenses	3,786	2,286
Audit fees	9,510	8,652
AGM	894	734
Conferences & training	3,552	2,373
Staff salaries	12,844	13,986
Trustee recruitment	-	2,030
Other Costs	831	656
Total	31,417	30,717

2017 total comprises £30,717 of unrestricted expenditure.

6. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:-	2018	2017
	£	£
Depreciation	28,600	31,637
Audit fees	9,510	8,652

7. ANALYSIS OF STAFF COSTS, DIRECTOR REMUNERATION & EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	Management Support & Office Staff £	Service Based Staff £	2018 £	2017 £
Wages & salaries	464,622	2,164,760	2,629,382	2,662,000
Employers NI	42,304	161,059	203,363	188,308
Pension costs	71,631	94,075	165,706	182,670
Total	578,557	2,419,894	2,998,451	3,032,978
Staff Recruitment & Expenses	20,816	54,064	74,880	68,463
Total	599,373	2,473,958	3,073,331	3,101,441

Average number of employees during 2018 was 129 (FTE 101) (2017: 138 FTE 107) of whom 16 (FTE: 14) were support staff (2017: 16 FTE 15).

Number of employees earning over £60,000:	Management Support	
	<u>2018</u>	<u>2017</u>
Band		
£60,000 - £70,000	1	2

As shown above 1 employee received emoluments in excess of £60,000 during the year (2017: two). The pension cost for the employee earning over £60,000 in the defined contribution scheme was £3,016 (2017: £3,053 for 1 member of staff).

In 2017/2018 the company contributed to the Lothian Pension Fund (LPF), a final salary scheme, in respect of one employee for the period 1.4.17 – 31.8.17 (2017: one employee for the whole year). The total pension contribution cost for LPF for this employee was £11,277 (2017: £26,321). In 2017/2018 the employer pension contribution levels for LPF continued to be 39.2% of gross salary. Additional payments of £7,477 for were made to LPF with respect to 2 ex-staff for whole year and 1 ex staff for period 1.4.17 – 27.10.17 (2017: £8,486 - for 3 ex-staff all year).

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

In 2017/2018 a withdrawal agreement was signed with LPF to exit the scheme and an exit debt was agreed – see note 20 for more details. First instalment of £33,800 was made towards this pension debt (2017: £38,000 was paid towards estimated pension deficit).

For other employees VSS contributes to a defined contribution scheme. The pension cost charge for the year for the defined contribution scheme amounted to £113,216 (2017: £109,723).

No remuneration has been paid to the Trustees but travel and subsistence expenses have been reimbursed to 8 Trustees to the extent of £3,786 (2017: 9 Trustees £4,642). Trustee indemnity insurance of £633 (2017: £656) has been charged for the year to cover loss to the charity and the trustees as a result of any negligence or default of the trustees.

The key management personnel of the charity are deemed to be the board directors, Chief Executive Officer and the Directorate. The total employment benefits of the key management personnel were £298,014 - 5 staff (2017: £308,105 – for 5).

In 2017/2018 no redundancy payments were made. (2017: 1 staff member received a redundancy payment of £6,741). In 2017/2018 an employment settlement, equivalent to statutory entitlement, of £26,832 was made to one member of staff (2017: No employee settlements were made).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Bank interest receivable	292	620
Dividends	29	14
Total	321	634

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer & Office Equipment	Fixtures & fittings	Total
	£	£	£	£
COST				
At 1 April 2017	128,637	355,970	52,170	536,777
Disposals	-	(11,914)	(2,496)	(14,410)
At 31 March 2018	128,637	344,056	49,674	522,367
DEPRECIATION				
At 1 April 2017	100,312	355,970	45,568	501,850
Charge for the year	23,026	-	5,574	28,600
Disposals	-	(11,914)	(2,496)	(14,410)
At 31 March 2018	123,338	344,056	48,646	516,040
NET BOOK VALUE				
At 31 March 2018	5,299	-	1,028	6,327
At 31 March 2017	28,325	-	6,602	34,927

**VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

10. INVESTMENTS

Investment

Banco Santander SA Ordinary Shares 0.50 EURO

	2018	2017
	£	£
At 1 April	586	368
Unrealised gain	49	218
Market value at 31 March	635	586

Subsidiary undertaking

Investment in VS Enterprise	Issued and unpaid of £1	<u>One</u>
------------------------------------	-------------------------	-------------------

Victim Support Scotland owns 100% of the issued share capital of Victim Support Enterprise Ltd, a company registered in Scotland, company number SC407507. The company suspended trading in 2013/14, but remains as a dormant company. For the year ended 31 March 2018 there was no activity and no surplus (2017: no activity) and had capital and reserves of £1 at 31 March 2018 (2017: £1)

11. DEBTORS

	2018	2017
	£	£
Grants receivable	296,787	30,583
Prepayments	95,214	76,302
Other debtors	14,912	8,819
Total	406,913	115,704

12. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	214,074	256,084
Taxation & social security	73,505	54,436
Accruals	92,989	99,460
Lothian Pension Fund exit debt repayment	33,800	-
Provision – office dilapidations	15,000	15,000
Deferred income	13,985	10,873
Pension contributions	13,824	14,863
Other creditors	9,124	12,244
Total	466,301	462,960

13. CREDITORS: Amounts falling due after one year

	2018	2017
	£	£
Lothian Pension Fund exit debt repayment	429,593	-

Annual repayments of £33,800 are due for 20 years – first repayment in 2017/2018.

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

14. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the charity had total commitments under non-cancellable operating leases as set out below.

	Land and buildings	Other	Total 2018 £	Total 2017 £
Total operating leases payments:				
Within 1 year	197,080	16,837	213,917	226,877
Within 2 to 5 years	292,805	-	292,805	423,439
After 5 years	33,375	-	33,375	77,875
Total	523,260	16,837	540,097	728,191

15. FINANCIAL INSTRUMENTS

Carrying amounts of financial assets

	2018 £	2017 £
Debt instruments measured at amortised cost	311,699	39,402
Debt instruments measured at fair value through profit & loss	635	586

Debt instruments measured at amortised cost comprises trade debtors and other debtors.
Debt instruments measured at fair value through profit and loss comprises listed investments.

Carrying amounts of financial liabilities

	2018 £	2017 £
Financial liabilities measured at amortised cost	793,404	382,651

Liabilities are measured at amortised cost comprises trade creditors, accruals and other creditors.

**VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

16. MOVEMENT IN FUNDS

	Balance at 31 Mar 17 £	Incoming £	Outgoings £	Transfers £	Actuarial gains/(deficits) on pension £	Gains/losses in investments £	Balance at 31 Mar 2018 £
Restricted Funds							
Victim & Witness Services	250,303	382,627	(2,999,009)	2,634,486	-	-	268,407
Foreign and Commonwealth Office	3,458	(774)	-	-	-	-	2,684
Victim Fund	10,806	-	(9,265)	-	-	-	1,541
Victims Fund – Moira Fund	523	-	(350)	-	-	-	173
Others	53,593	13,784	(13,005)	-	-	-	54,372
	318,683	395,637	(3,021,629)	2,634,486	-	-	327,177
Unrestricted Funds							
General fund	261,549	4,241,259	(1,541,489)	(2,605,886)	-	49	355,482
Designated Fund – Fixed Asset Reserve	32,375	-	-	(28,600)	-	-	3,775
LPF Unfunded Pension Reserve	(215,000)	-	-	-	78,000	-	(137,000)
LPF Funded Pension Reserve	(373,000)	-	-	-	373,000	-	-
LPF Exit Liability Reserve	-	-	-	-	(463,393)	-	(463,393)
	(294,076)	4,241,259	(1,541,489)	(2,634,486)	(12,393)	49	(241,136)
Total Funds	24,607	4,636,896	(4,563,118)	-	(12,393)	49	86,041

**VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

Movement in funds in 2016/2017

	Balance at 31 Mar 16 £	Incoming £	Outgoings £	Transfers £	Actuarial gains/(deficits) on pension	Gains/losses in investments £	Balance at 31 Mar 2017 £
Restricted Funds							
Victim & Witness Services	237,226	429,258	(3,184,497)	2,768,316	-	-	250,303
Foreign and Commonwealth Office	11,434	(7,500)	(476)	-	-	-	3,458
Victim Fund	7,109	10,000	(6,303)	-	-	-	10,806
Victims Fund – Moira Fund	5,323	-	(4,800)	-	-	-	523
Others	49,135	11,951	(6,359)	(1,134)	-	-	53,593
	310,227	443,709	(3,202,435)	2,767,182	-	-	318,683
Unrestricted Funds							
General fund	124,742	4,248,808	(1,376,674)	(2,735,545)	-	218	261,549
Designated Fund – Fixed Asset Reserve	64,012	-	-	(31,637)	-	-	32,375
Pension Reserve	(371,000)	-	39,000	-	(256,000)	-	(588,000)
	(182,246)	4,248,808	(1,337,674)	(2,767,182)	(256,000)	218	(294,076)
Total Funds	127,981	4,692,517	(4,540,109)	-	(256,000)	218	24,607

- o The transfer from the General Fund to Victim and Witness Services represents the costs of the services not supported by direct funding from Local Authorities or by local fundraising
- o The Transfer to Designated Fund represents an allocation of the fixed assets value

**VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

Restricted funds represent income received where the donor has imposed restrictions as to how the monies shall be used. These include:

Victim & Witness Services:

- People affected by crime feel supported and assisted by Victim Support
- People affected by crime can access other appropriate services through Victim Support
- Victim Support's services assist victims and witnesses to participate in the criminal justice process
- Criminal Justice and social policy development addresses the needs of people affected by crime
- Staff and volunteers receive the training and management support they require

A listing of the funds received is detailed in note 2 – the grants awarded include Local Authority funding, Anti-social behaviour project funding, and other specific project funding.

Other Funds:

- **Foreign and Commonwealth Office** - for the provision of assistance to Scottish families as a result of murder abroad
- **Victims Fund** – this fund is to be allocated to meet the immediate needs of people affected by crime
- **Victims Fund – Moira Fund** – these are funds specifically meeting the immediate needs of individuals bereaved through murder
- **Others** - this represents a number of smaller, less active projects, details of which can be obtained from the Registered Office

17. RELATED PARTY TRANSACTIONS

During the year, in line with other victim support organisation in Europe, Victim Support Scotland was charged a subscription of £7,043 (8,000 euros) (2017: £2,384 - 3,000 euros) to support the work of Victim Support Europe. Also, in the year Victim Support Scotland received £70 rental income from Taylormade Marketing (2017: £35 – Taylormade Marketing). Liz Taylor, a director of VSS, is also a director of Taylormade Marketing – there are no outstanding amounts due at the year end.

18. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible Fixed Assets & Investments	Other net assets	Total 2018	Total 2017
	£	£	£	£
Restricted Funds	3,188	324,877	328,065	318,683
Unrestricted Funds	-	354,594	354,594	261,549
Designated – Fixed Asset Fund	3,775	-	3,775	32,375
LPF Unfunded Pension Fund	-	(137,000)	(137,000)	(215,000)
LPF Exit Liability Pension Fund	-	(463,393)	(463,393)	(373,000)
Total	6,963	79,078	86,041	24,607

19. COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, with each member liable to contribute up to £1 in the event of the Company being wound up. Under the terms of the Company's Articles of Association, Directors are also members of the Company. The company is controlled by the Directors.

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

20. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income	73,827	152,626
Actuarial (loss) on defined benefit scheme	(12,393)	(256,000)
Depreciation charge	28,600	31,637
(Gains) on investments	(49)	(218)
Interest income in investing activities	(321)	(634)
(Increase)/decrease in debtors	(291,209)	153,477
Increase in creditors	432,934	160,016
(Decrease)/increase in pension liabilities	(451,000)	217,000
Net cash used in operating activities	(219,611)	457,904

21. PENSION DISCLOSURES

Because of LPF's employer pension contributions being at an unaffordable basis, 39.2% of gross salary, and the increasing level of pension liabilities associated with this scheme VSS negotiated an exit from this defined benefit pension scheme in this financial year. From 31st August 2017 VSS ceased to be a member of this scheme. At this point the scheme's actuary carried out an actuarial valuation of our liabilities on cessation. In previous year's accounts the pension liability was estimated on a FRS102 basis.

Financial assumptions

	Valuation Assumptions 31 March 2017 %	Cessation Assumptions 31 August 2017 %
Discount rates/anticipated investment returns		
- Pre-retirement	1.7	1.6
- Post-retirement	1.7	1.6
Salary increase rate	4.1	n/a
Benefit increases	2.4	2.3

The cessation actuarial valuation as at 31st August 2018 showed the funding position to be as follows:

	Valuation Results 31 March 2017 £000	Cessation Results 31 August 2017 £000
Liabilities	(4,297)	(4,162)
Assets	2,686	2,699
(Deficit)	<u>(1,611)</u>	<u>(1,463)</u>

VSS negotiated a total exit debt of £676k – repayable in annual instalments of £33,800 over 20 years. A discount rate of 3.5%, agreed with LPF, has been applied to this debt in the balance sheet.

	£000
Agreed debt at 31.8.17	(676)
Repayment in 2017/2018	34
Total pension debt at 31.3.18	<u>(642)</u>

VICTIM SUPPORT SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

Discounted at 3.5% over 20 years	(463)
Pension creditor due within 1 year	(33)
Pension creditor due within 1 year	(430)
Total pension creditor	<u>(463)</u>

Going forward, for the next 19 years VSS will make an annual payment of £33,800 to LPF.

Compensatory Additional Years (CAYs)

VSS has unfunded pension liabilities in respect of CAYs awarded to former employees. At 1.4.17 there were liabilities in place for 3 former employees and by the end of the year it had reduced to 2. An actuarial valuation of this liability was conducted by LPF's actuary using the projected unit credit method of valuation.

Financial assumptions

	2018	2017
	%	%
Pension increase rate	2.4	2.2
Discount rates	3.5	2.7

The retail price inflation assumption has been set by taking the difference between the yields available on conventional gilts and index linked gilts at a duration consistent with that of employer's benefit obligation. As at 31st March 2018, it was estimated that Consumer Prices Index will be approximately 1.0% below Retail Price Inflation on average.

	2018	2017
	£000	£000
CAY liability at 1 st April	(215)	(189)
Actuarial gain/(loss) on pension scheme	78	(26)
CAY Liability at 31 st March	<u>(137)</u>	<u>(215)</u>

The charity estimates that it will contribute approximately £5,913 with respect to CAYs for the two remaining former employees in the next financial year.

22. CONTINGENT LIABILITY

There is a potential contingent liability with respect to the exit agreement with LPF. The cessation debt was valued as £1.343m and the agreed exit debt was set at £676k. The exit agreement includes an anti-embarrassment clause. If VSS receive in any one year more than £101,400 of unrestricted income, that the trustees are not legally required to use for the furtherance of the objectives of the charity, the repayments to LPF will increase. This will only be applied if the increased repayments do not make VSS balance sheet insolvent. This will be assessed on an annual basis

If VSS's financial position improves, within these parameters, a maximum additional amount of £667k may be reclaimed over the repayment period of 20 years.

