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March 2022

COMPANY REGISTRATION NUMBER: SC091095

SCOTTISH CHARITY NUMBER: SC004089

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wise group

Board of Directors

Neil McLachlan, Chair, * , ** & *** & ****

Gavin Nicol, Vice Chair * & ****

Sean Duffy, Chief Executive

Desmond McNulty **

(resigned 30 September 2021)

Gillian Callaghan **

(resigned 30 September 2021)

Hugh Carr ***

Penelope Cooper **

Glenn St. John-Colgan

Andrew Malcolm

(appointed 28 February 2022)

Frances Nichols

(appointed 28 February 2022)

Ramesh Kollepara

(appointed 25 March 2022)

* People & Culture Committee Member

** Finance & Audit Committee Member

*** Strategic Development Committee

**** Remuneration Committee

Key Management Personnel

Sean Duffy, Chief Executive

Suzanne McWilliams, People and Culture Director

Jacqueline Gourlay, Finance & Operations Director

Stuart McWhinnie, Business Transformation Director (resigned 28/05/21)

Alexander Warren, Strategic Development Director

Victoria Carson, Engagement & Policy Director

Company Secretary

Suzanne McWilliams

Registered company name, office and principal address

The Wise Group

Third Floor

Doges Templeton Business Centre

62 Templeton Street

Glasgow

G40 1DA

Auditors

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

Solicitors

Shoosmiths

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EN

Bankers

Barclay's

Leicester

LE87 2BB

Royal Bank of Scotland

10 Gordon Street

Glasgow

G1 3PL



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

The Trustees of The Wise Group, who are also the Directors, present their annual report together with the audited financial statements of the social enterprise for the year ended 31 March 2022. The trustees who served during the period covered are set out on page three.

The financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Charities SORP (FRS102) and the Memorandum and Articles of Association.

Objects of the Company

We are governed by a Memorandum and Articles of Association, which sets out our objects to:

1. Relieve and/or prevent poverty
2. Relieve unemployment
3. Advance education
4. Reduce re-offending
5. Relieve the hardship associated with fuel poverty and protect the natural environment from irresponsible practices
6. Promote the voluntary sector
7. Promote, establish, operate and/or support other similar schemes and projects

Our Purpose

To lift people out of poverty and transform lives.

Our Values

- We go the distance, so our colleagues and customers reach a positive and sustainable future
- We are ambitious to make a real difference everyday: socially, financially, culturally
- We hurdle boundaries and innovate
- We thrive through collaboration, kindness and learning together
- We celebrate and respect individual difference

We are deeply passionate about transforming lives and lifting people out of poverty and through our aim of inspiring positive change through relational mentoring we strive to create a surplus to reinvest in our colleagues and society.

**REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022****ACHIEVEMENTS AND PERFORMANCE**

The Wise Group is a leading social enterprise working to lift people out of poverty. As an enterprise, we build bridges to opportunity for the most vulnerable in our society.

Every day we support our customers into jobs, work to lift people out of fuel poverty, and help people coming out of prison to build a better future. Our work is varied and underlying everything we do is a passion and commitment for social justice and a fairer society for all.

We know how important it is to nurture a positive culture that is focused on the delivery of high quality, continually improving and compassionate support. This approach typified our enterprise during the financial year 2021/22 which began with varying degrees of COVID19 lock downs being felt across the UK, saw the hosting of COP26 in Glasgow and ended with higher than forecast inflation and an energy price crisis causing the collapse of several energy companies and exacerbated by the war in Ukraine, leading directly to Ofgem increasing the energy price cap on 1 April 2022.

Against this macro background The Wise Group continued our emphasis on sustaining our enterprise and ensuring the wellbeing of our colleagues and we had an extremely positive year as we supported tens of thousands of customers and their families, continued to invest in our cultural transformation and created a financial surplus of £2.7m.

Positive societal change is one of our core values and in 2021/22, over our three core areas of focus, we impacted the lives of 50,693 people directly and indirectly the families, friends and loved ones of those customers. This was an increase of 3,364 (7%) on 2020/21.

AREA OF FOCUS	2018/19	2019/20	2020/21	2021/22
Employment Services and Skills (ESS)	3,108	3,319	4,236	8,035
Energy Advice and Advocacy (EAA)	30,034	33,974	39,614	37,844
Community Justice (CJ)	738	1,036	3,479	4,814
Total Customers Positively Impacted	33,880	38,329	47,329	50,693

EMPLOYMENT SERVICES AND SKILLS

For many, sustainable employment is difficult to attain. In Scotland we have delivered through Scottish Government and DWP funded initiatives to help those who needed it to get into meaningful employment or see their confidence and job readiness improve.

Through our partnership with Capita on the JETS programme our positive delivery led to the extension of the original programme from July 2022 to March 2023. Working alongside DWP Work Coaches and our Employer Engagement team we supported 3,759 customers towards employment. We also sought out innovative ways to collaborate across our teams and created and delivered our Embark programme with cross referral from our New Routes throughcare delivery to allow a cohort of newly liberated customers gain the skills and confidence to seek employment.



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

In Scotland we also deliver the Fair Start Scotland programme and in 2021/22 assisted just under 1,000 individuals who felt themselves further from the labour market into more positive destinations, our most successful year of delivery to date on this activity.

As well as helping people into employment The Wise Group recognises the value of lifelong learning to increase knowledge, create employment opportunities and for the overall wellbeing of individuals. In 2021/22 we delivered life improving skills to 1,478 people.

Our Wise Steps programme in England puts the individual at the heart, recognising that the pathway to employment is not the same for all. We provide a range of opportunities to help people get ready for work; from volunteering and work experience to training and well-being events and support should there be a move into employment. We designed this programme to put the person at the centre, recognising that there is no one size fits all approach and using this ethos we helped 1,400 people increase their confidence and job readiness.

Using our insight and evidence from our efforts in this area of focus we designed and co-sponsored a new product centred on an individual's pathway to employment to deploy in the Scottish Borders alongside Borders Council and four local housing associations (BEAM). This is a fledgling product that we are investing in and developing further to support our relational mentoring approach.

Demonstrating our values of collaboration and innovation we created a new digital offering that once again straddled our focus areas of community justice and skills. Our Connect product began life as a flexible online learning option that met the needs of the Other Activities aspect of Community Payback Orders and was utilised by 330 people for that purpose. It has since grown into an online life-skills learning platform offering transferable skills in a range of situations and markets.

The COVID19 pandemic disproportionately affected young people and in recognition of this the UK Government introduced the Kickstart scheme. Early on we recognised the potential for positive impact this scheme could bring if stewarded in a confident manner. Against mediocre overall national results for the programme, we consider our involvement a success as both a gateway and a provider of wraparound services to ensure the young people we helped place gained meaningful value from the scheme. We helped 400 young people secure a Kickstart place, receiving near perfect feedback from those that used our wraparound service.

ENERGY ADVICE AND ADVOCACY

We deliver free, impartial energy advice and advocacy support to help people in the UK stay in control of their energy bills and keep warm and well at home. The need to secure fuel safety for many became evident at the start of the COVID19 pandemic and remained prevalent throughout 2021/22. As well as providing our Home Energy Advice at an individual customer level The Wise Group secured and administered many Crisis Funds during this period. In all during 2021/22 we helped 6,078 households feel safer in their energy situation.

Our mentoring approach to supporting people and families educates and empowers and results in sustainable outcomes. We recognise that how we use energy at home is a key driver of fuel poverty. Now more than ever, we are convinced of the importance of delivering home energy advice through a relationship-based approach. Through our delivery on behalf of Home Energy Scotland we helped 31,594



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

customers and their families understand more about how to reduce their energy bills and minimise their carbon footprint

We also contribute to national efforts to tackle fuel poverty and improve the energy efficiency of the domestic housing stock. In Scotland, the Wise Group helps to deliver the Home Energy Efficiency Programmes for Scotland (HEEPS) helping 172 households become more energy efficient in 2021/22.

COMMUNITY JUSTICE

In Scotland we are involved in the national throughcare programmes that support people before and after they leave prison. As the lead partner in the New Routes Mentoring Service PSP (Public Social Partnership) we work alongside others such as Sacro, Apex Scotland, SAMH and Families Outside to mentor male prisoners to a positive return to their community. As part of another PSP, Shine, led by Sacro we also provide the same mentoring journey for women leaving prison. Over these two activities we supported 1,580 individuals towards different, more positive outcomes.

In 2020 we established a joint venture with St Giles Trust as an innovative vehicle that sought to work with the MoJ on their new dynamic purchasing framework which underpins their approach to throughcare support in England. The vehicle was very well received by the MoJ and won the largest number of contracts on the first round of procurement. We also participated in other's supply chains on the framework.

The Wise Group successfully mobilised delivery of the contracts we were responsible for in Personal Wellbeing, Accommodation and Women and as a result we were able to support 2,904 people on their journey from prison back to their friends, family, and community. We have also recently been successful in winning further contracts on this framework in both the North East and the North West of England.

COLLEAGUES FIRST

Colleagues First is the number one pillar of our Strategic intent and it is one of the biggest reasons for our success. We firmly believe that we give our best when we are at our best and as an employer it is incumbent upon the Enterprise to purposefully look after the wellbeing of our colleagues. At The Wise Group this manifests in a number of ways including an excellent benefits package, mental health support, fitness classes, financial awareness seminars, ensuring we pay competitive and sustainable salaries, energy advice workshops, menopause support, a Healthcare scheme and employee assistance programme. All of this is rooted in our forward thinking Remote First approach to how we perform our roles which promoting trust, not presenteeism, and lets colleagues work flexibly at times and locations that suit and supported by the ongoing development of our ongoing colleague engagement strategy.

Another pillar of our strategy is to recognise technology as an enabler throughout our enterprise and we have invested in a suite of people centric platforms to enhance our people and culture experience. These include innovative and engaging platforms that cover colleague recruitment, onboarding, leave, development, and learning.

We have also invested in the development of a platform to support My Contribution, our capability management framework, rooted in our values and behaviours. This is the glue that will enable colleagues



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

to link their roles and their individual contribution to the strategic aims of the enterprise. It's about inspiring everyone to make as big a contribution to the enterprise that they feel they can make.

INFLUENCE, INSIGHT & IMPACT

The third pillar of our strategy is building an evidential approach to the work that we do to allow us to advocate and influence positively for the most vulnerable in our society, position ourselves as a thought leader and help shape the markets in which we engage.

In November 2021 we published our first piece of insight work Lights On To Lights Off focusing on what fuel poverty looks and feels like. This work was widely shared and praised and led to Wise Group colleagues presenting directly to the Chairman of Ofgem highlighting the reality of fuel poverty and the ineffectiveness of algorithms to correctly identify those in fuel fear.

We have established a three-year research partnership with Fraser of Allander, housed in the University of Strathclyde, to understand the direct and indirect impact of our justice work and shape what the future should look like for the benefit of the individual impacted.

Recently we have utilised our insight, knowledge, and influence to shape our future markets by creating and securing funding for a pathfinder programme which elevates the concept of the Modern Apprenticeship model using our No Limits programme. No Limits is designed for young people who are considered marginalised and in need of additional support to realise their potential. Working with an initial cohort of 70 young people across Scotland we will demonstrate the effectiveness of our relational mentoring approach in this setting and create an investable model for the benefit of young people regardless of geography.

STRATEGIC OUTLOOK AND FUTURE PLANS

Our Building Bridges strategy was first introduced in 2019 and was positioned as a five-year strategy. We have delivered successfully in line with this strategy in the intervening period and as the enterprise has developed and matured our relationship with the strategy has also evolved – we now view it as emergent and dynamic responding to changing circumstances, not static and bound by the self-imposed time constraint of five years.

Our purpose is to lift people out of poverty and transform lives. Building Bridges identified four pillars as the way in which we would deliver the greatest positive impact:

- Colleagues First
- Technology as an Enabler
- Evidential Approach
- Customer Journey

Our guiding principles to support the pillars were:

- Take a partnership approach
- Create shared value (socially, financially, culturally)
- Define our areas of focus

**REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022**

Our strategy serves as the vehicle by which our enterprise achieves its purpose, and we believe that the four pillars and three guiding principles of the Building Bridges strategy remain true for the foreseeable future. We will continue to build annual strategic outcomes in line with the initial strategic intent until such time as we fully realise the potential our four pillars provide.

For 2021/22 we adopted this approach for the first time. The outcomes we identified and our achievement towards them are noted below.

Outcome	Progress
People – to increase colleague engagement score to 86%	Our latest colleague survey took place in May 2022 and 83% of colleagues participated
Customer – to increase the number of customers we support across the enterprise by 20%	From 2021/22 the number of customers we supported increased by 7%. Over the period since the COVID19 pandemic begun the number of customers we have supported has risen by 32%.
Customer – to increase by 10% the number of customers who see an improvement in their personal circumstances	We discovered that our evidential approach was not yet mature enough to measure this outcome in a meaningful way and this has helped inform an outcome for 2022/23 – the creation of a Wise Group Data Strategy.
Growth – to grow the Enterprise's budgeted revenue by a further 5% in the UK	Between 2020/21 and 2021/22 the revenue of the Wise Group increased by 46%
Financial – to deliver a financial surplus of 5%	The financial surplus for 2021/22 was 14%
Reputation – to improve our stakeholder familiarity to 62% in Scotland and 51% in England	In our latest stakeholder polling early in 2022 saw 68% of respondents knowing a lot or a fair amount about The Wise Group and in England 82%.

For 2022/23 we will create strategic outcomes covering growth – financially and geographically, for insight and influence growth, for data and for customer satisfaction. All will be firmly grounded in one of our four pillars and will represent the continuing relevance and success of the Building Bridges strategy.

In March of 2022 a societal situation arose that allowed The Wise Group to bring our strategic intent of investing our surplus for the benefit of colleagues and customers to life. As a result of a changing legislative background the main funder for our HEAT service was unable to commit to continuation of funding. The funding was in place until 31 March 2022, the day before the energy price cap was increased and energy costs rose by over 50%. At a time when customers needed our advice more than ever our service was scheduled to end, and several colleagues faced an uncertain future. Our senior leadership team saw opportunity in this situation and put forward an investment proposal to the Board which set out how we could:

- Ensure that a vital service was not withdrawn at the very time vulnerable customers needed it most
- Safeguard the jobs of our HEAT colleagues and retain their combined wisdom, skills, and expertise within the Enterprise
- Create an investable platform for sustainable delivery growth in the provision of fuel poverty advice and advocacy



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The Board agreed the investment and we have subsequently implemented the proposal. In Q1 of 2022/23 energy advice has been given to 1,439 households, income for those households maximised by £282k, and debts reduced by estimated £90k. In Q2 we expect to support 2,600 people, maximise income of £507k, and reduce debts by £162k.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

The charity is governed by the Articles of Association and is a company limited by guarantee. In November 2018, The Scottish Governance Code for the Third Sector was introduced and although the code is not mandatory, the Board of The Wise Group use it as a guiding principle and as a benchmark to challenge and strengthen its governance.

The code sets out five core principles aimed at encouraging organisations to look at, and improve, their governance.

The five core principles we strive for excellence in are:

Principal	Purpose
Organisational Purpose	A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.
Leadership	A well-run board is clear about its roles and responsibilities and provides strategic direction in line with the organisations purpose, vision and values.
Board Behaviour	A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.
Control	A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.
Effectiveness	A well-run board understands it's role, powers and duties and works collectively and proactively, to achieve it organisational purpose.

The Board are overall responsible for providing strategic direction and ensuring good governance and participate in sessions and other events to help them understand and develop their responsibilities, accountabilities and powers which include the following:

- Corporate governance – reviewing and monitoring corporate governance, monitoring performance and effectiveness, and the Board of Directors selection processes.
- Strategy – providing strategic direction, reviewing, approving, and monitoring corporate strategies and plans, reviewing and approving capital and revenue budgets and investments.
- Performance – reviewing enterprise results and monitoring internal controls.
- Audit, risk management and compliance – monitoring and reviewing the risk management processes, the risk profile and compliance with relevant standards and regulatory requirements.
- Integrity of external reporting – monitoring and reviewing the processes, controls, and procedures to maintain the integrity of accounting, financial records and statements.
- Executive review and culture – selecting and evaluating the Chief Executive, reviewing succession planning, monitoring, and influencing the Wise Group culture, reputation and ethical standards including matters of equality and diversity.

**REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022**

The Board now welcome Wise Group colleagues and customers from across the enterprise to their meetings where they hear first-hand the positive outcomes and experiences and possible challenges of the day-to-day activity of colleagues, direct feedback from customers, and the interaction between Wise Group colleagues and customers.

In exercising its responsibilities, the Board delegates matters to four committees and the Chief Executive.

Committee	Remit	Chair	Meetings
Finance and Audit	Ensures effective systems of integrated governance, risk management and internal control, including: the integrity of financial reporting; internal and external audit; and compliance with accounting standards and relevant regulations.	Penelope Cooper	Quarterly
People and Culture ***	Strategic oversight of people issues including people planning, learning and development, equality and diversity, relations, and health and wellbeing. It establishes the principles for colleagues pay and reward policy.	Gavin Nicol	Quarterly
Strategic Development	Ensures activities align with the mission and vision and strategic priorities, and reviews and approves the strategic development strategy and decision criteria. It also reviews and recommends investments to expand and establish new services or markets.	Neil McLachlan	Quarterly
Remuneration	Determines the salary, terms, and conditions of service and other benefits for the CEO and Directors of the Wise Group holding contracts with executive terms and conditions in line with good governance principles. In addition, this committee is responsible for salary benchmarking and other terms and conditions information against comparable organisations to ensure these are considered in line with market rates.	Gavin Nicol	Six-monthly

*** Recognising the intrinsic value of colleagues to the success of the Enterprise all matters previously devolved to the People and Culture Committee are now considered by the full Board and as a result this Committee will not continue after 2021/22.

BOARD GOVERNANCE

Our Board of Directors comprises 9 trustees (noted on page three), including our CEO, and has overall governance responsibility. Neil McLachlan is our Chair, and the Board meets quarterly and holds one AGM annually.

The Memorandum and Articles of Association detail the arrangements for the establishment of the Board of Directors:

"The maximum number of directors shall be ten, of whom no more than nine may be Non-Executive Directors and no more than one shall be the Executive Director; the minimum number of directors shall be seven".



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"At each AGM, any Non-Executive Director who has served for a period of three years shall retire from office but shall then be eligible for re-appointment as a Non-Executive Director".

Directors are elected following an open and thorough selection process which considers skills, knowledge, experience, diversity, geographical spread and fit with the ethos and values of the organisation. At present in terms of gender balance, we have 25% female membership which is below the current FTSE 350 companies' level of 37.6% (February 2022), and the UK third sector level of 41% (August 2020). There is a planned final phase of Board recruitment taking place in 22/23 which may change these indicators.

Our comprehensive Board induction programme provides new board members with all the information and support they need to be confident and productive in their role. The aim is to help our new members understand the enterprise, the environment in which it operates, and their role in helping to make the enterprise a success.

The programme involves:

- Welcoming the new board member and introducing them to the board team and other key personnel, including the CEO and executive directors
- An introduction to the strategic plan and financial position of the organisation
- An introduction to the governance arrangements which are in place and to the external environment in which we operate
- Meeting with key stakeholders where relevant

The induction plan is in place before the new board member begins which is followed by induction discussion to review the key documents required by board members. More broadly, the induction period introduces the culture of the enterprise and their role and responsibilities as a board member.

OPERATING BOARD

Led by our CEO, the Operating Board (noted on page three) comprises 5 Directors (key management personnel). The Operating Board provides strategic leadership and operational oversight to ensure achievement of our purpose through effective and efficient practises. The Operating Board meets biweekly and is accountable for the delivery of the strategic objectives set by the Board and its Committees.

The Operating Board have regular communication with colleagues from across the enterprise daily, with Colleague Engagement Sessions held every six weeks where the CEO brings everyone up to date on the latest activities within the enterprise, including the finances. The meeting is then open for all colleagues to ask questions, express opinions, or start discussions. In response to some of the conversations around the effects of the increase in the cost of living, and the real-life struggles for our colleagues, a pay increase was awarded in October 2021 and an additional payment of £750 was given to all colleagues in March 2022.



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The enterprise is broadly split into:

Operations

Responsible for the effective delivery of all contracts and services we provide to our customers and is aligned around our three areas of focus: Community Justice; Energy Advice and Advocacy; and Employment Services.

Core

These are the central and growth functions of the enterprise which comprise Strategic Growth & Development; People and Culture, including Company Secretariat, Legal and Health and Safety; Finance, IT and Assurance, Engagement and Influence, including Communications and Marketing.

RISK MANAGEMENT

The Wise Group has continued to manage risks associated with external change, technology, culture, colleagues, and growth within the enterprise. The Board has overall responsibility for ensuring good governance as it is integral to the Wise Group culture. He ensures the effective management of strategic and operational risks to ensure the Wise Group's sustainability and continued existence. Currently there are no high risks on our Risk Register – those defined as medium risks along with their high-level mitigation strategies are outlined below:

Risk	Mitigation
EXTERNAL CHANGE - Ability to adapt to local & national changes	<ul style="list-style-type: none">• A well-defined 5-year strategy is in place taking account of external landscape and stakeholder needs• Strategic planning and horizon scanning undertaken operating environment• Strategic Development function enhanced to better identify future sources of growth• Remote First operating which enhances flexibility, adaptability, and resilience• Remote First model simplifies business continuity arrangements with complex location-based continuity plans reduced to one enterprise plan
TECHNOLOGY - Effective Information Technology which meets the needs of the Wise Group and its stakeholders	<ul style="list-style-type: none">• Technology is a key strategic priority• IT infrastructure in place minimises single point of failure and increases resilience in the face of a business continuity event• MS365 in use across the enterprise bringing wider access to digital tools and enhanced security• Formal 'Information Security Management System implemented and ISO27001 certification achieved• Evidential Approach as a strategic pillar to maximise data asset usage



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

COLLEAGUES – Ability to have in place a suitably skilled, trained, diverse and motivated workforce that is well supported physically and mentally	<ul style="list-style-type: none">• Colleagues first as a strategic pillar• Investment in and relentless focus on colleague wellbeing with an advanced support package• Effective colleague engagement strategies and platforms to provide opportunities to share, learn, seek support, and celebrate success• Our 'Remote First' operating model giving colleagues freedom and flexibility to work in a way which suits them to achieve their objectives• Regular review of colleague benefits to ensure they are competitive within the sector to attract skilled and experienced applicants and retain talent• Refreshed values and behaviours framework developed with colleagues along with design of 'My Contribution' capability framework portal• Candidate selection process based on values and 'cultural add'
GROWTH – Ability to grow enterprise sustainably	<ul style="list-style-type: none">• Develop adequate pipeline management strategy and invest resource in filling pipeline with new opportunities• Invest resource in filling pipeline with new opportunities• Invest appropriately in skills (internal/external) to produce high quality bids• Meet/exceed KPIs on existing contracts to improve chance of re-tender success• Build structure for developing new services based on evidential approach• Ensure organisational structure remains future focused works in parallel with opportunity pipeline

FINANCIAL REVIEW AND RESULTS

The 2021/22 net movement in funds of £3,460,412 is primarily due to increased performance within specific contracts and new contracts being awarded and implemented, but also the gain on the sale of an owned property of £807,130.

The net income for 2021/22 is classified as net income of £3,748,430 in unrestricted funds, including £807,130 for the gain on sale of property, and a deficit of £288,018 in restricted funds. During 2021/22 around 30 individual projects were delivered within the three main activity areas of employment services and skills, community justice and energy advice and advocacy.

The financial results have been presented in accordance with FRS102 and the Charities SORP (FRS102). The Directors have included a Statement of Financial Activities which incorporates the Income and Expenditure Account. This statement shows the funding and the other resources available and how they have been utilised. Funds are analysed between:

- Unrestricted funds (general) which are the resources made available to the Wise Group to further its objectives.
- Restricted funds which are made available to the enterprise for use on restricted activities only.



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

Comparison of 2021/22 and 2020/21:

- Income, excluding the gain from the sale of the property, increased significantly to £18,660,486 in the 12 months to March 2022 from £12,742,683 in 2020/21.
- The year-end cash balance was £7,156,981, compared to an opening balance of £2,414,962. £237,899 is held on behalf of councils (2020/21: £248,129).
- Colleague numbers increased to an average of 278 in 2021/22, with colleague costs of £8,542,434 compared to 216 in 2020/21, with colleague costs for the period of £6,083,784.
- Unrestricted funds increased to £7,399,265 at 31 March 2022 from £3,938,853 at 31 March 2021. Our unrestricted funds give us the ability to plan, to upskill and to retain and invest in colleagues. Our free reserves are £7,080,191, compared to £2,414,960 at 31 March 2021.

The total expenditure 2021/22 was £16,007,204. Of this £15,527,913 (97%) was incurred on direct charitable activities in pursuit of the Wise Group social objectives, with £122,827 (0.77%) incurred on governance costs. A further £356,464 (2.23%) was incurred on other strategic development costs to secure funds for the enterprise.

Pensions

A voluntary contributory money purchase pension scheme was in operation and available to all colleagues in the enterprise based on a sliding scale. The employer contribution is capped at 12% of salary with an employee contribution of 10%, although some colleagues have opted to increase their contribution. Pension contributions made by the enterprise in the year were £475,561, an increase of £90,589 compared to 2020/21 due to several colleagues choosing to increase their contributions, and therefore also employer contributions, following informative financial planning seminars with our advisors. The enterprise operates a salary exchange scheme for pension contributions which is available to all colleagues. The pension contributions have been allocated between restricted and unrestricted funds as detailed in the expenditure note within note 1 Accounting Policies.

Funding Sources

Income to support the delivery of the charitable activities was derived from a variety of public and private sources and contracts. These were principally achieved by competitive tendering for public sector contracts through government procurement activities and bidding for grant funding. The main sources of income are set out in Note 3 of the Financial Statements.

The Board of Directors regularly considers the exposure to major risks and the likely impact on income sources and planned expenditure and assessed the best way to mitigate such risks. The principal accounting policies are detailed in Note 1.

Reserves and Funding Position

The purpose of reserves is primarily to ensure the stability and ongoing operation of the enterprise and to provide a source of internal funds for priorities such as capacity building, developing infrastructure and upgrading buildings. Reserves are also held to ensure contractual liabilities are met if needed, including redundancy pay, amounts due to creditors and commitments under leases.

Total funds of £7,399,265, 39.65% of 2021/22 income, are carried forward into 2022/23 to further the aims of the Wise Group and achieve the objectives.



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The reserves policy of The Wise Group is to retain sufficient funds required to meet three months' worth of running costs. On this basis, we would expect to hold minimum free reserves of £2.5m. The free reserves held at the year-end were higher than the target level and are forecasted to increase significantly with new business opportunities and the sale of the current property are concluded. Our stated aim is to create a surplus to reinvest in our colleagues and society and in line with that aim the Operational Board and Board of Directors will continually review and identify the best ways to utilise any surplus reserves as exemplified by the HEAT investment previously highlighted.

Of the total funds carried forward into 2022/23, £319,074 are held as fixed assets for the enterprise's use and are excluded from the free reserves balance, the balance of free reserves is therefore £7,080,191.

In 2022/23 the enterprise requires enough funds to cover costs of funding projects until income is earned, investment in transformation and other aspects of our strategy, funding innovative pilot projects, and to respond to situations given the extent of the service provision.

Financial modelling is undertaken at regular intervals to demonstrate and give reassurance that the income and level of reserves are enough to sustain the enterprise for the foreseeable future. On the basis of these forecasts and as further detailed in the going concern accounting policy, the Directors have a reasonable expectation that the enterprise has adequate resources to continue in operational existence for at least twelve months from the signing of the financial statements.

As part of our treasury management, £3,100,000 was placed in a 12 month Treasury Fixed Term Deposit account in May 2022, this was part of a short term strategy whilst discussions around longer term investments are ongoing. The trustees continue to ensure careful cash management and ongoing monitoring is in place to maintain sufficient reserves.

AUDITORS

Chiene + Tait LLP have been appointed for a 3-year period under section 487 of the Companies Act 2006.



REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR YEAR ENDED 31 MARCH 2022

TRUSTEES RESPONSIBILITY STATEMENT

The trustees (who are also directors of the Wise Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

1. Select suitable accounting policies and then apply them consistently
2. Observe the methods and principles in the Charities SORP
3. Make judgments and estimates that are reasonable and prudent
4. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
5. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose "with reasonable accuracy", at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable auditor is unaware
- The Trustees have taken all the steps that they ought to have taken as a trustee in order to make them aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

The Trustees approve the Trustees' report (including the strategic report) in their capacity as company Directors.

On behalf of the Board,

Neil McLachlan

Chair

Date: 30.09.22



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE WISE GROUP

Opinion on financial statements

We have audited the financial statements of The Wise Group (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE WISE GROUP (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 17 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE WISE GROUP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and Health and Safety Regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of key management personnel and the Trustees;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

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



wise group

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE WISE GROUP (CONTINUED)

Use of our report

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

Jeremy Chittleburgh CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

30/9/ 2022

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



STATEMENT OF FINANCIAL ACTIVITIES - INCLUDING INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2022

	Unrestricted Funds £	Restricted Funds £	2021/22 £	2020/21 £	Note
Income from:					
Charitable activities; -					2/3
Employment Services & Skills	7,588,954	2,924,363	10,513,317	5,615,341	
Community Justice	3,667,678	-	3,667,678	2,542,839	
Energy Advice & Advocacy	4,415,718	-	4,415,718	4,526,739	
Investments	1,701	-	1,701	1,889	
Gift aid donation from investment	42,000	-	42,000	-	
Other					
Rental income	1,000	-	1,000	3,107	
Gain on disposal of property	807,130	-	807,130	-	
Other income	19,072	-	19,072	52,768	
Total	16,543,253	2,924,363	19,467,616	12,742,683	
Expenditure on:					
Charitable activities; -					4/5
Employment Services & Skills	4,579,169	3,212,381	7,791,550	5,101,093	
Community Justice	3,221,587	-	3,221,587	2,515,819	
Energy Advice & Advocacy	4,628,603	-	4,628,603	4,433,414	
Raising Funds					
Business development costs	365,464	-	365,464	148,014	7
Other					
Costs for rental properties	-	-	-	14,148	
Total	12,794,823	3,212,381	16,007,204	12,212,488	
Net Income/(expenditure)	3,748,430	(288,018)	3,460,412	530,195	
Transfer of funds	(288,018)	288,018	-	-	18
Net movement in funds	3,460,412	-	3,460,412	530,195	
Reconciliation of funds:					
Total funds brought forward	3,938,853	-	3,938,853	3,408,658	
Total funds carried forward	7,399,265	-	7,399,265	3,938,853	18

All the activities of the enterprise are classed as continuing.
The notes on pages 25 to 35 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2022**

	2021/22 £	2020/21 £	Note
Fixed assets:			
Intangible assets	216,850	245,181	10
Tangible assets	102,174	1,278,712	11
Investment	50	50	12
Total fixed assets	319,074	1,523,943	
Current assets:			
Debtors	3,153,689	1,908,710	13
Cash at bank and in hand	7,156,981	2,414,962	14
Total current assets	10,310,670	4,323,672	
Liabilities:			
Creditors: Amounts falling due within one year	3,126,312	1,758,762	15
Net current assets	7,184,358	2,564,910	
Total assets less current liabilities	7,503,432	4,088,853	
Creditors: Amounts falling due after more than one year	104,167	150,000	15
Total net assets	7,399,265	3,938,853	
The funds of the charity:			
Unrestricted funds	7,399,265	3,938,853	17/18
Restricted funds	-	-	17/18
Total charity funds	7,399,265	3,938,853	

These financial statements were authorised for issue by the directors and are signed on their behalf by:

Neil McLachlan, Chair

Company Number SC091095

30 September 2022

The notes on pages 25 to 35 form part of these financial statements.



STATEMENT OF CASHFLOWS
YEAR ENDED 31 MARCH 2022

	2021/22 Funds £	2020/21 Funds £
Cash flow from operating activities:		
Net cash (used in)/provided by operating activities	2,889,229	1,147,453
Cash flows from investing activities:		
Interest received	1,701	1,889
Payments to acquire tangible fixed assets	(91,320)	-
Payments to acquire intangible fixed assets	(82,198)	(59,760)
Payments to invest in Joint Venture	-	(50)
Proceeds from sale of property	2,030,000	-
Net cash (used in)/provided by investing activities	1,858,183	(57,921)
Cash flow from financing activities:		
Interest payable	(5,393)	(3,503)
Net cash (used in) financing activities	(5,393)	(3,503)
Change in cash in the reporting period	4,742,019	1,086,029
Cash at the beginning of the reporting period	2,414,962	1,328,933
Cash at the end of the reporting period	7,156,981	2,414,962

Reconciliation of net movement in funds to net cash flow from operating activities

	2021/22 £	2020/21 £
Net movement in funds for the reporting period (as per the statement of financial activities)	3,460,412	530,195
Adjustments for:		
Interest receivable	(1,701)	(1,889)
Interest payable	5,390	3,503
Amortisation charges	110,529	85,487
Depreciation charges	44,991	85,529
Increase in debtors	(1,244,979)	92,935
Increase in creditors	1,321,717	351,693
Gain on the sale of fixed assets	(807,130)	-
Net cash provided by/(used in) by operating activities	2,889,229	1,147,453

Analysis of changes in debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash and cash equivalents			
Cash	2,414,962	4,741,019	7,156,981
	2,414,962	4,741,019	7,156,981
Borrowings			
Debt due within one year	(50,000)	-	(50,000)
Debt due after one year	(150,000)	45,833	(104,167)
	(200,000)	45,833	(154,167)
Total	2,214,962	4,787,852	7,002,814

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022****1. Accounting Policies**

The Wise Group is an incorporated Social Enterprise registered and incorporated in Scotland; the registered address is Third Floor, Doges, Templeton Business Centre, Glasgow, G40 1DA. The activities and services delivered fall under the three main business areas of Employment Services & Skills, Community Justice and Energy Advice & Advocacy.

Basis of Accounting

The financial statements have been prepared under the historical cost convention (as modified for the revaluation of certain fixed assets) and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, applicable accounting standards, 2019 Charities Statement of Recommended Practice ('SORP') and the Financial Reporting Standard (FRS102). The Wise Group meets the definition of a Public Benefit Entity under FRS102. Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise stated.

Going Concern

The Wise Group has good financial resources; cash in bank and hand at 31 March 2022 of £6,919,082 (excluding amounts held on behalf of councils as detailed in note 14), and unrestricted reserves of £7,399,265 (which include fixed assets of £319,024), together with multi-year contracts across various parts of the business. The enterprise made a profit during 2021/22 primarily due to increased performance within most Employability contracts and new Community Justice contracts with the Ministry of Justice being implemented. Income for 2022/23 which has been confirmed by funders is at 48% so the enterprise is in a stable position to move forward. The Directors believe, having reviewed detailed forecasts, that the enterprise is well placed to manage its business risks successfully despite the current economic position. The Directors have a reasonable expectation that the enterprise has adequate resources to continue in operational existence for at least twelve months from the signing of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and do not consider there to be any material uncertainty.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income represents grants, rental income, donations and interest received. Rental income is included in income in the period to which it relates. Interest is included when receivable. Government grants awarded based on incurring specific expenditure are disclosed within the Statement of Financial Activities in the period the approved expenditure takes place and recognised when conditions of grant are met. Other revenue grants are credited to income in the period that conditions for receipt have been complied with.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accrual's basis and is recognised when there is a constructive or legal obligation. Expenditure comprises those costs incurred by the enterprise in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The indirect costs are largely apportioned using colleagues numbers, particularly full time equivalents. Costs are allocated as detailed in note 4, 5 and 7.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

Governance costs (as disclosed in note 6) include those costs associated with meeting the constitutional and statutory requirements of the enterprise and include the audit fees and costs linked to the strategic management of the enterprise.

Intangible Fixed Assets

Expenditure on intangible assets that do not have physical substance are capitalised when it is expected that future economic benefits will flow from the intangible asset to the enterprise. The depreciable amount of an intangible asset is amortised on a straight-line basis over its estimated useful life to the relevant project as follows:

Website	-	Over 4 years
CRM Systems	-	Over 4 years or Project Life
Software	-	Over 4 years

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Items costing less than £1,000 are not capitalised. Depreciation is provided on all fixed assets on a straight line basis at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life or the term of the asset to which the project relates, whichever is the shorter, as follows:

Furniture/office equipment	-	Over 4 years
Computer equipment	-	Over 4 years

Investments

The investment in a joint venture is recognised at cost less any subsequent impairment.

Operating Lease Agreements

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

Pension Costs

The enterprise operates a defined contribution pension scheme. Pension contributions are charged to the Income and Expenditure Account as and when they are due.

Taxation

The enterprise is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result, there is no liability to taxation on any of its income.

Reserves

Restricted funds are to be used for specific purposes as laid down, either implicitly or explicitly, by the donor or grant provider. Unrestricted funds comprise funds raised and other income received or generated for general charitable purposes.

Financial Instruments

Financial assets and financial liabilities are recognised when the enterprise becomes a party to the contractual provision of the instrument and are offset only when the enterprise currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS**
YEAR ENDED 31 MARCH 2022**Financial Assets**

Trade and other debtors which are receivable within one year are initially measured at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

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

Financial Liabilities

Trade and other creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

The loan is an interest free concessionary loan which is shown at cost and is repayable over four years.

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical estimates or assumptions included in the Financial Statements.

2. Analysis of income from charitable activities

	2021/22 Unrestricted £	2021/22 Restricted £	2021/22 Total £	2020/21 Unrestricted £	2020/21 Restricted £	2020/21 Total £
Employment Services & Skills	7,588,954	2,924,363	10,513,317	872,844	4,742,497	5,615,341
Community Justice	3,667,678	-	3,667,678	62,986	2,479,853	2,542,839
Energy Advice & Advocacy	4,415,718	-	4,415,718	305,380	4,221,359	4,526,739
Total	15,672,350	2,924,363	18,596,713	1,241,210	11,443,709	12,684,919

The classification of unrestricted and restricted income is in line with the strategic outcomes for 2021/22.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

3. Analysis of income from charitable activities by funder

	2021/22 Unrestricted £	2021/22 Restricted £	2021/22 Total £	2020/21 Total £
Scottish Government	6,171,621	-	6,171,621	5,337,121
National Lottery Comm. Fund	-	2,924,363	2,924,363	2,796,917
Local Auth. & Housing Ass.	2,264,094	-	2,264,094	2,161,965
Skills Development Scotland	193,700	-	193,700	254,273
Ministry of Justice	1,592,694	-	1,592,694	573,920
Private Sector	5,364,389	-	5,364,389	1,477,180
Other Funders	85,852	-	85,852	83,543
Total	15,672,350	2,924,363	18,596,713	12,684,919

4. Analysis of expenditure on charitable activities

	2021/22 Unrestricted £	2021/22 Restricted £	2021/22 Total £	2020/21 Unrestricted £	2020/21 Restricted £	2020/21 Total £
Employment Services & Skills	4,579,169	3,212,381	7,791,550	19,412	5,081,681	5,101,093
Community Justice	3,221,587	-	3,221,587	1,032	2,514,787	2,515,819
Energy Advice & Advocacy	4,628,603	-	4,628,603	-	4,433,414	4,433,414
Total	12,429,359	3,212,381	15,641,740	20,444	12,029,882	12,050,326

5. Analysis of expenditure on charitable activities by activity

	2021/22 Employment Services & Skills £	2021/22 Community Justice £	2021/22 Energy Advice & Advocacy £	2021/22 Total £	2020/21 Total £
Direct colleague costs	3,052,661	1,458,800	2,047,759	6,559,220	4,974,330
Partnership costs	2,642,052	838,256	1,012,573	4,492,881	3,848,482
Other direct operating costs	603,322	300,148	652,120	1,555,590	1,435,791
Indirect colleague costs	867,606	325,911	479,874	1,673,391	1,014,936
Other indirect costs	500,855	235,178	346,278	1,082,311	519,023
Depreciation/ amortisation	71,968	33,793	49,759	155,520	171,016
Governance costs	53,086	29,501	40,240	122,827	86,748
Total	7,791,550	3,221,587	4,628,603	15,641,740	12,050,326

The basis of allocation is full time equivalent employee numbers.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

6. Governance Costs included in charitable activities costs

	2021/22	2020/21
	£	£
Audit fees	17,000	23,000
Legal fees	34,815	28,943
Professional fees	71,012	34,805
Total	122,827	86,748

7. Analysis of expenditure on business development costs

	2021/22	2020/21
	£	£
Direct colleague costs	309,823	94,518
Governance costs	-	3,679
Other direct operating costs	55,641	49,817
Total	365,464	148,014

Business development costs above include all costs attributed to the business development team and business development activity.

8. Colleague costs

	2021/22	2020/21
	Avg No.	Avg No.
The average number of colleagues employed by the enterprise during the year	278	216

Total colleague costs:	2021/22	2020/21
	£	£
Salaries	7,426,949	5,265,010
Social security costs	639,924	433,802
Pension costs	475,561	384,972
	8,542,434	6,083,784

Redundancy costs of £14,435 (2020/21: £55,508) are included within the costs. A total of 4 (2020/21: 9) employees were made redundant during the year because of projects coming to an end and some restructuring changes.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022****8. Colleague costs (cont.)**

The key management personnel during 2021/22 comprise of the trustees, the Chief Executive, Finance and Operations Director, People Director, Strategic Development Director and Engagement & Policy Director, the Business Transformation Director was paid on a consultancy basis. The total employee benefits of the key management personnel for the year were £498,342 (2020/21:£537,795). The benefits consisted of remuneration of £448,177 (2020/21:£489,558), inclusive of employers NIC, and defined pension contributions of £50,165 (2020/21:£48,237), all key management personnel are members of the money purchase pension scheme.

Number of employees with total emoluments over £60,000:	2021/22	2020/21
£60,000 - £69,999	3	3
£70,000 - £79,999	1	1
£130,000 - £129,999	1	1
	<u>5</u>	<u>5</u>

Executive Directors' emoluments:	2021/22	2020/21
	£	£
Chief Executive remuneration	<u>120,881</u>	<u>130,418</u>
Enterprise contributions to money purchase pension schemes:		
Chief Executive	<u>17,580</u>	<u>15,650</u>

This Executive Director is remunerated in respect of his duties as Chief Executive, and not for acting as a director of the enterprise. No remuneration was received by Board Directors.

There were no reimbursements (2020/21: Nil) paid to Board Members in the year.

9. Depreciation and other operating costs

Other operating costs are detailed below:

	2021/22	2020/21
	£	£
Other operating charges:		
Amortisation	110,529	85,487
Depreciation	44,991	85,529
Auditors' remuneration - audit fee	17,000	23,000
Operating leases:		
• Vehicles	38,485	49,921
• Multi-functional devices	2,277	3,074
• Land and buildings	164,986	115,216



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

10. Intangible assets

	Website Development £	CRM Development £	Other Software £	Total £
Cost or valuation				
At 1 Apr 2021	43,988	150,012	201,985	395,985
Additions	-	92,041	(9,843)	82,198
Disposals	(43,988)	-	-	(43,988)
At 31 Mar 2022	-	242,053	192,142	434,195
Amortisation				
At 1 Apr 2021	43,988	58,310	48,506	150,804
Charge for year	-	35,257	75,272	110,529
Disposals	(43,988)	-	-	(43,988)
At 31 Mar 2022	-	93,567	123,778	217,345
Net book value				
At 31 Mar 2022	-	148,486	68,364	216,850
At 31 Mar 2021	-	91,702	153,479	245,181

11. Tangible assets

	Heritable Land & Buildings £	Freehold Improve- ments £	Furniture /Office Equipment £	Computer Equip. £	Total £
Cost or valuation					
At 1 Apr 2021	1,300,000	73,631	34,029	117,184	1,524,844
Additions	-	-	91,320	-	91,320
Disposal of asset	(1,300,000)	(73,631)	(34,029)	(17,040)	(1,424,700)
At 31 Mar 2022	-	-	91,320	100,144	191,464
Depreciation					
At 1 Apr 2021	88,642	65,650	30,501	61,339	246,132
Charge for year	-	-	1,497	43,494	44,991
Disposal of asset	(88,642)	(65,650)	(30,501)	(17,040)	(201,833)
At 31 Mar 2022	-	-	1,497	87,793	89,290
Net book value					
At 31 Mar 2022	-	-	89,823	12,351	102,174
At 31 Mar 2021	1,211,358	7,981	3,528	55,845	1,278,712

The Charlotte Street property was sold on 31 July 2021 at a sale price of £2,030,000.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

12. Investment

	2021/22	2020/21
	£	£
Investment in joint venture	<u>50</u>	<u>50</u>

The enterprise holds a 50% shareholding in St Giles Wise Ltd (SC674514). A summary of its 2021 trading results from 16 September 2020 to 31 December 2021 are shown below.

	2021
	£
Turnover	3,324,119
Administrative costs	(3,135,937)
Taxation	(7,255)
Profit	<u>180,927</u>
Distribution paid under gift aid	(150,000)
Retained profit for the period	<u>30,927</u>
Current assets	600,558
Current liabilities	(569,531)
Net Assets	<u>31,027</u>

13. Debtors

	2021/22	2020/21
	£	£
Trade debtors	1,697,063	1,554,280
Prepayments	95,746	110,006
Accrued income	1,360,880	244,424
Total	<u>3,153,689</u>	<u>1,908,710</u>

14. Cash at Bank and In Hand

The enterprise administers loan schemes on behalf of specific councils, the cash at bank and in hand balance of £7,156,981 (2020/21:£2,414,962) includes the balance of these loan accounts for Glasgow City Council £237,899 (2020/21:£237,637) and Falkirk, Stirling and Clackmannanshire Councils £nil (2020/21:£10,492). The amounts are held in separate bank accounts specifically designated for the above companies and a balance of £237,899 is held in other creditors (2020/21: £248,129).



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

15. Creditors

	2021/22	2020/21
	£	£
Amounts falling due within one year		
Trade creditors	346,900	541,595
Taxation and social security	815,898	482,770
Other creditors	325,445	316,766
Loan	50,000	50,000
Accruals and deferred income	1,588,069	367,631
Total	3,126,312	1,758,762

Deferred income of £1,340,332, is funding which has been received in this financial period and can be recognised in the following periods when the approved expenditure takes place.

	2021/22	2020/21
	£	£
Amounts falling due after more than one year		
Other creditors due after 1 year	50,000	50,000
Other creditors due after 2 years	54,167	100,000
Total	104,167	150,000

This amount relates to a concessionary loan received with 0% interest rate and repayable in instalments as detailed below.

	2021/22	2020/21
	£	£
Loan repayable within 1 year	50,000	50,000
Loan repayable after 1 year	50,000	50,000
Loan repayable after 2 years	54,167	100,000
Total	154,167	200,000

16. Commitments under Operating Leases

At 31 March 2022, the total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land & Buildings 2021/22	Land & Buildings 2020/21
	£	£
Within 1 year	153,006	54,897
Within 2 to 5 years	463,346	-
Over 5 years	264,298	-
	880,650	54,897



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

17. Analysis of Net Assets between Funds

	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Unrestricted Funds 2020/21 £	Restricted Funds 2020/21 £	Total Funds 2020/21 £
Intangible assets	216,850	-	216,850	245,181	-	245,181
Tangible assets	102,224	-	102,224	1,278,712	-	1,278,712
Current assets	10,310,670	-	10,310,670	4,323,672	-	4,323,672
Current liabilities	(3,126,312)	-	(3,126,312)	(1,758,712)	-	(1,758,712)
Creditors due after one year	(104,167)	-	(104,167)	(150,000)	-	(150,000)
	<u>7,399,265</u>	<u>-</u>	<u>7,399,265</u>	<u>3,938,853</u>	<u>-</u>	<u>3,938,853</u>

18. Analysis of Charitable Funds

Analysis of movements in unrestricted funds

	At 1 Apr 2021 £	Incoming resources £	Outgoing resources £	Transfer of funds £	At 31 Mar 2022 £
General reserve	3,938,853	16,543,253	(12,794,823)	(288,018)	7,399,265
Total funds	<u>3,938,853</u>	<u>16,543,253</u>	<u>(12,794,823)</u>	<u>(288,018)</u>	<u>7,399,265</u>

Analysis of movements in restricted funds

	At 1 Apr 2021 £	Incoming resources £	Outgoing resources £	Transfer of funds £	At 31 Mar 2022 £
National Lottery Community Fund	-	2,924,363	(3,212,381)	288,018	-
Total funds	<u>-</u>	<u>2,924,363</u>	<u>(3,212,381)</u>	<u>288,018</u>	<u>-</u>

National Lottery Community Fund

Grants received from the National Lottery Community Fund were used to fund the Wise Steps partnership, led by the Wise Group, in Tyne & Wear, which provides one to one tailored support to help people take positive steps toward work.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

19. Defined contribution pension scheme

The enterprise operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the enterprise in an independently administered fund. The pension cost charge represents contributions payable by the enterprise to the fund during the year and amounted to £475,561 (2020/21: £384,972). There were no outstanding contributions relating to March pay included within creditors (2020/21: £nil).

20. Capital commitments

There are no capital commitments (2020/21: nil).

21. Ultimate controlling party

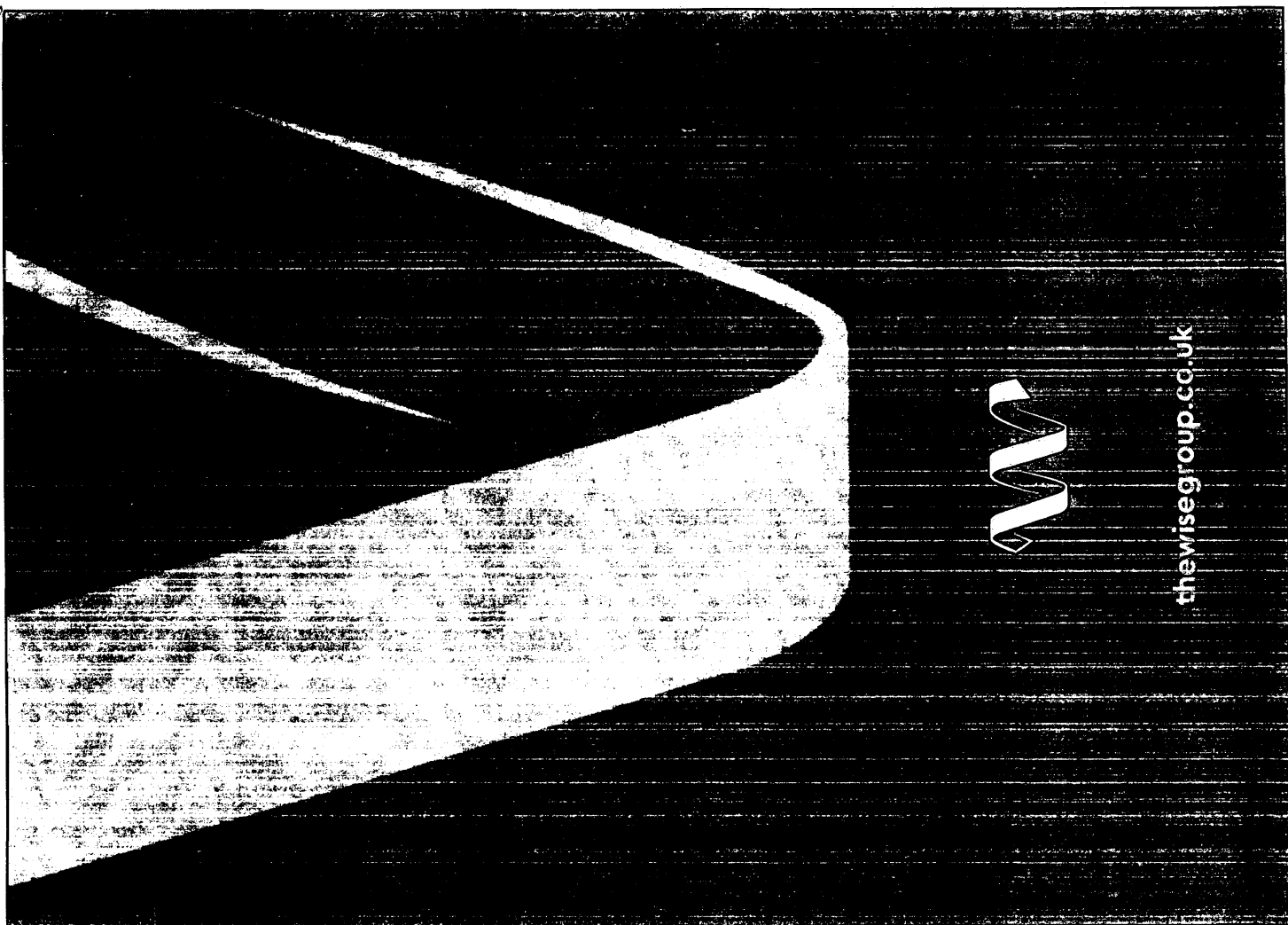
There is no ultimate controlling party.

22. Status

The Wise Group is limited by guarantee. Each member is a trustee and has guaranteed an amount of £5.

23. Related parties

There were amounts paid to related parties of £18,374 (2020/21: £39,268) in the year, £1,749 in relation to membership fees with SCVO and Scotland Excel and £16,625 to Augmentas Group in relation to consultancy support with bodies which are related parties of the charity due to directors having common control. All transactions were at standard prices with no discounts received.



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