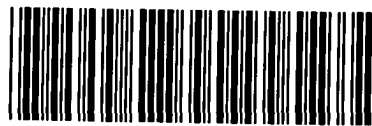


PATH (Scotland)
Trustees' report and financial statements
for the year ended 31 March 2020

Charity number: SC028889

Company number: SC194698

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PATH (Scotland)
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PATH (Scotland)**Legal and administrative information**

Charity name	PATH (Scotland)	
Charity registration number	SC028889	
Company registration number	SC194698	
Trustees	Madhu Satsangi Edelweisse Thornley Arnold Black, M.B.E. Anne Dickie Tim Pogson Mohanjit Singh Anthony Cain	Chair Vice Chair Treasurer appointed 3 June 2019
Company Secretary	Najimee Parveen	
Senior Management	Najimee Parveen	Director
Principal office and Registered office	19 Lynedoch Crescent Glasgow G3 6EQ	
Independent Examiner	Stuart Aiton, C.A. Aiton & Co Chartered Accountants 50 Wellington Street Glasgow G2 6HJ	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	MacRoberts 152 Bath Street Glasgow G2 4TB	

**PATH (Scotland)
Trustees' Annual Report
for the year ended 31 March 2020**

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2020.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to advance education for the benefit of the public by developing the professional and technical skills in housing and other services of persons aged over 16 who may suffer disadvantage by reason of their colour, race, nationality or ethnic origins and the promotion of equality and diversity, including the elimination of discrimination.

The Charity carries out the following activities:

Training and Education Programme in Housing

We run three-year training and education programmes in collaboration with registered social landlords and local authority housing departments and provide the following services in relation to the recruitment process.

- Draft trainee adverts
- Send out application packs
- Assess applications/applicants in association with housing organisations
- Oversee and participate in the recruitment process
- Check eligibility/references/qualifications
- Process university/ college applications

Trainees are placed in particular housing organisations and undertake an academic qualification on a day release basis. Qualifications gained include the post graduate diploma in housing studies and level 4 in housing studies. Once the trainee is in place we carry out an induction process with the trainee and the placement organisation. We work with placement organisations throughout the year and provide six-weekly support and supervision to trainees. We also provide mentoring, coaching and personal development support. We design all assessment materials and have developed a work experience guide which provides placement organisations with a flexible tool when delivering the training programme. We also run specialist training which is intended as a supplement to the trainee work experience.

Developing Management and Leadership (DMLS) in Employment, Education and Public Life

We run a DMLS Programme funded by the Scottish Government Equality Fund in recognition of the absence of BAME communities in senior positions in Employment, Education and Public Life. By the end of the programme, participants are able to:

- explain the nature of racism, its impact and the implications for themselves as managers from black and minority ethnic communities;
- identify different management and leadership models and the skills necessary to implement them;
- recognise and acknowledge their own strengths and potential, and identify further development goals;
- adopt management strategies appropriate for the situation;
- analyse the strengths and weaknesses of their own communication skills and image, and adopt strategies to develop their 'visibility', personal effectiveness and stress resilience;
- recognise the potential difficulties with managing diverse teams, including cross-cultural communication, and adopt strategies to encourage successful team working;
- identify opportunities to use their management and leadership skills within and outwith their own organisations, within their communities and in wider public life;
- set realistic action points to achieve their identified management and leadership goals;
- build networks to support their continued development beyond the programme.

Coaching and Mentoring

We work in partnership with our beneficiaries to set career related goals, evaluate strategies to progress careers, identify action that can be taken to help people move to desired goals as well as encouraging thinking around leadership impact.

**PATH (Scotland)
Trustees' Annual Report
for the year ended 31 March 2020**

Employability

Support provided includes the following;

- assistance with researching job roles
- matching job descriptions and personal profiles to particular vacancies
- assessing essential and desirable competencies
- assistance with volunteering opportunities and competency based interview techniques

Life Skills Programme

The Volant Charitable Trust funds PATH (Scotland) to run an employability and life skills programme to increase access for BAME women who have experienced life challenges. The programme works on a 1-1 basis with BAME women who have an interest in using a collaborative approach.

ACHIEVEMENTS AND PERFORMANCE

We are extremely pleased to report on the good work that has been carried out this year. We have been involved in assisting the Scottish Government to support Black, Asian and Minority Ethnic communities make full use of the business support system in Scotland and to ensure that public support can work better to serve BAME entrepreneurs.

The purpose of the dialogue was to seek help in assisting minority ethnic communities make full use of the business support system in Scotland and to ensure that public support could work better to serve minority ethnic entrepreneurs. We have also worked with the Public Appointments Team of the Scottish Government and the Commissioner for Ethnical Standards in Public Life on a race equality action plan for public appointments. Suggestions by us included: monitoring of applications; promotional materials around the process; addition of case studies; the need for action points for public bodies around transparency and accountability and an appeals mechanism.

We responded to the Scottish Parliament's Race equality, employment and skills inquiry (2020) and made a number of recommendations around employer engagement, training and development and employer retention strategies as well as urging the Scottish Parliament to implement the recommendations of the Race, Ethnicity and Employment inquiry report of (2016).

Our BAME network meetings in Housing held in collaboration with the CiH continue to flourish. At the latest network meeting Lesley Baird, director of the Tenants Participation Advisory Service (TPAS) spoke about initiatives and priorities for TPAS and Ashley Campbell, from the Chartered Institute of Housing spoke about the new dementia framework and the Scottish Government's vision for Housing to 2040.

A 3 year evaluation of our Developing Management and Leadership Skills Programme in Employment, Education and Public Life showed the following:

78 participants completed the course during the 3 year period of this review. Of the people who responded to the review, successes include:

- 10 have been promoted at work
- 8 have changed jobs to further their careers
- 2 have become Diversity champions within their organisations
- 2 who were unemployed are now in employment
- 3 have started their own businesses
- 6 have returned to education (to study for MSc or PhD)
- 6 are more active in their communities (including offering mentoring)
- 3 have set up women's network groups
- 4 have returned as a guest speaker to share their experience and progress since participating in the DMLS course

All participants have a better understanding of the barriers to the progression of black and minority people into management roles as well as of the impact on their own behaviour. They are clearer about their own skills and abilities and their goals for the future. They are more confident about taking the initiative to ensure they have the knowledge and support networks to take the steps they want to take to achieve their goals.

Feedback from our funders stated the following:

" It was good to see the success of the programme which engaged with 30% more people than anticipated, with all participants reporting improving their leadership skills, and strong feedback from participants as to the value of the programme in supporting them to achieve their own personal goals. It was also good to see the range of personal successes achieved by the participants in terms of employment, education or other engagement in public life..."

The programme has made a substantial contribution towards the Fund outcome of addressing imbalances in representation in public life to better reflect our communities."

**PATH (Scotland)
Trustees' Annual Report
for the year ended 31 March 2020**

In conclusion many of the people we work with are facing extreme hardship because of Covid-19. We have been involved in additional 1-1 meetings with clients (online and by telephone) At these meetings we signpost the food banks that are operating in their areas, law centres offering free legal advice/emergency funds which are available for acute financial need, mental health and other services available. We also ensure that our clients and their families have access to the Scottish Government's national assistance helpline which connects them to their council to help access food, medicine, social work services, emotional support and support from local volunteer groups.

We have set up weekly online meetings with networks of people who can drop in and out as they wish. The weekly drop -ins have proven to be very popular. People see them as very supportive and they give them an opportunity to ask questions in a safe environment. Challenges include the disproportionate impact of Covid-19 on BAME communities and the fear in those communities, some of whom who have lost family members, dealing with racist behaviour, barriers in the workplace, being furloughed and many more.

FINANCIAL REVIEW

The charity had net outgoing resources of £77,833 for the year (2019 - £31,632) prior to accounting for a movement in the pension scheme liability in the period. Following the change in the pension scheme liability, the deficit for the period was £833 (£92,868). The charity has accumulated funds of £179,966 at the balance sheet date (2019 - £180,799).

Principal funding sources

The principal sources of income of the charity were grant funding from the Scottish Government and The Volant Charitable Trust, together with generated income from Housing Associations and local authorities as part of the PATH training and education programme.

As noted in last year's report, the Scottish Government rejected our application for continuation of the Housing Voluntary Grant Scheme funding of £85,750. The withdrawal of these sources of funding has had a huge impact on the charity and it will be essential to obtain additional funding from other sources. The trustees are of the opinion that the charity has sufficient funds to continue its activity but have budgeted to utilise a large percentage of its own reserves in the forthcoming year, while new funding is sought..

Reserves policy

The Trustees' policy is to maintain free reserves, i.e. funds not committed or invested in fixed assets, or committed to meeting the pension obligation, at a level equating to up to one year's running costs. The charity's free reserves at 31 March 2020 amounted to £86,369. The Trustees recognise that there are obligations on the charity should it be necessary to wind up the organisation at some point in the future. As such, a designated fund has been set up to which 50% of existing unrestricted funds has been transferred towards these potential liabilities.

Investment policy

PATH (Scotland) retains all surplus funds in low-risk, interest-bearing bank accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guaranteed and is a recognised Scottish Charity, No. SC028889. It is governed by its Memorandum and Articles of Association.

PATH (Scotland)
Trustees' Annual Report
for the year ended 31 March 2020

Appointment of Trustees

New Trustees are recruited and appointed through a skills audit. Currently we are actively recruiting Trustees with local authority expertise and Trustees from the black voluntary sector. We also ensure that we take ethnicity and gender into account when recruiting for new Trustees.

Organisational structure

PATH's work is overseen by a board of trustees. Amongst other things the board of trustees provide input to long-term goals, approve the annual objectives, finalise and approve budgets and approve the annual accounts. The board of trustees delegate authority to the director who manages the business of the organisation.

Risk management

The charity has an extensive risk management policy which monitors and assesses the major risks the charity may be exposed to. The risk management strategy comprises:

- An annual review of the risks to which it is exposed to;
- Systems and procedures which mitigate identified risks;
- Procedures designed to minimise any potential impact on the charity should any of the identified risks materialise.

The Trustees behave with due diligence in considering important topics, such as remaining a member of the Scottish Housing Association Pension Scheme. In taking this decision the charity Trustees have taken into account professional advice to ensure that the charity's best interests are protected.

The Trustees are acutely aware of the risks faced by the ongoing Coronavirus pandemic and have taken steps to mitigate these risks as much as possible to safeguard the future of the charitable company. Working closely with key management, they are monitoring this on a regular basis to ensure that the charitable company continues to manage the risks as far as possible.

REFERENCE AND ADMINISTRATIVE DETAILS

Full details of the charity's name, registration details and the trustees serving during the year and since the year end are detailed on page 1.

Trustees

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of PATH (Scotland) for the purposes of company law) are responsible for preparing the Trustees' 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:

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

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

PATH (Scotland)
Trustees' Annual Report
for the year ended 31 March 2020

The Trustees are responsible for keeping proper accounting records that 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.

Independent Examiner

Stuart Aiton, C.A., partner in Aiton & Co, Chartered Accountants, has been appointed as Independent Examiner of the charity.

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

This report was approved by the Trustees on 17 August 2020 and signed on their behalf by



Najimee Parveen
Secretary

PATH (Scotland)**Independent Examiner's Report to the Trustees on the Unaudited Financial Statements of PATH (Scotland)**

I report on the financial statements of PATH (Scotland) for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and Examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations; and

to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Stuart Aiton, C.A.
Partner

Aiton & Co
Chartered Accountants
50 Wellington Street
Glasgow
G2 6HJ

17 August 2020

PATH (Scotland)
Statement of financial activities (including income and expenditure account)
for the year ended 31 March 2020

		Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	Notes	£	£	£	£
Income					
Donations and legacies	2	3,200	-	3,200	4,500
Charitable activities	3	26,253	45,000	71,253	140,825
Investment income	4	1,804	-	1,804	2,189
Total income		<u>31,257</u>	<u>45,000</u>	<u>76,257</u>	<u>147,514</u>
Expenditure					
Charitable activities	5	(109,090)	(45,000)	(154,090)	(179,146)
Total resources expended		<u>(109,090)</u>	<u>(45,000)</u>	<u>(154,090)</u>	<u>(179,146)</u>
Net income/(expenditure)		(77,833)	-	(77,833)	(31,632)
Other recognised gains and losses					
Initial recognition of multi-employer defined benefit scheme	20	-	-	-	(48,236)
Actuarial gains / (losses) on defined benefit pension schemes	20	77,000	-	77,000	(13,000)
		<u>77,000</u>	<u>-</u>	<u>77,000</u>	<u>(61,236)</u>
Net movement in funds		(833)	-	(833)	(92,868)
Reconciliation of funds					
Total funds brought forward		180,799	-	180,799	273,667
Total funds carried forward		<u>179,966</u>	<u>-</u>	<u>179,966</u>	<u>180,799</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

PATH (Scotland)
Balance sheet
as at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	3,547	21,500
Cash at bank and in hand		197,288	267,703
		200,835	289,203
Creditors: amounts falling due within one year	13	(13,641)	(16,132)
Net current assets		187,194	273,071
Total assets less current liabilities		187,194	273,071
Creditors: amounts falling due after more than one year		-	-
Net assets excluding pension liability		187,194	273,071
Defined benefit pension scheme liability	20	(7,228)	(92,272)
Net assets		179,966	180,799
Funds			
Unrestricted funds			
General funds	16	86,369	44,264
Designated funds	17	86,369	44,263
Pension reserve	18	7,228	92,272
Restricted funds	19	-	-
		179,966	180,799

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the period ended 31 March 2020.

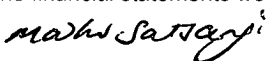
The members have not required the company to obtain an audit of the financial statements for the period ended 31 March 2020 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for:

- (a) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of sections 394 & 395 and which otherwise comply with the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Directors on 17 August 2020 and signed on their behalf by


 Madhu Satsangi

Trustee

Registered number: SC194698

The notes on pages 10 to 18 form an integral part of these financial statements.

PATH (Scotland)
Notes to financial statements
for the year ended 31 March 2020

1. Accounting policies

1.1. Statutory information

PATH (Scotland) is a charitable company limited by guarantee and incorporated in Scotland. The registered office address (and principal place of business) is 19 Lynedoch Crescent, Glasgow, G3 6EQ.

1.2. Basis of preparation and Statement of Compliance

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard 102 (effective January 2019), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

PATH (Scotland) previously contributed to the Scottish Housing Association Pension Scheme defined benefit scheme. From 1 April 2018, assets and liabilities of the scheme relating to a specific employer were able to be separately identified for the first time. As a result, the charity has applied a change in accounting estimate (see 1.8 below), applying the guidance in the Financial Reporting Exposure Draft 71 "Draft Amendments to FRS 102: Multi-employer defined benefit plans". Accordingly, the difference between the deficit funding agreement that has been recognised for SHAPS, and the net defined benefit liability, has been recognised in the charity's Statement of Financial Activities (SOFA). This adjustment has been applied as at 1 April 2018.

The charity meets the definition of a public benefit entity under FRS 102.

1.3. Going concern

The charity meets its day-to-day working capital requirements through the provision of funding and its existing reserves. Our current funding situation has created uncertainty over (a) the level of funding that the charity can access; and (b) the timing of that funding. The charity's forecasts and projections, taking account of reasonably possible changes in performance, show that the charity should be able to operate for the forthcoming twelve months utilising its existing reserves as necessary. After making enquiries, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4. Income

Income from donations and legacies, including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Income from investments is included in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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 and those costs of an indirect nature necessary to support them. It also includes governance costs.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6. Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are funds which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

1.7. Tangible fixed assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows: Furniture & equipment - 33.33% straight line.

PATH (Scotland)
Notes to financial statements
for the year ended 31 March 2020

1.8. Pensions

PATH (Scotland) participates in the Scottish Housing Association Pension Scheme (SHAPS) defined contribution pension scheme. The pension costs charged in the financial statements represent the total contributions payable by the charity during the year.

PATH (Scotland) previously contributed to the SHAPS defined benefit pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Until 1 April 2018, assets and liabilities of the scheme relating to a specific employer could not be separately identified and, in accordance with FRS 102, the payments in respect of the past service deficit plan were discounted and recognised as a liability within the financial statements.

From 1 April 2018, assets and liabilities of the scheme relating to a specific employer can now be separately identified. In accordance with guidance issued by the Scottish Federation of Housing Associations, the difference between the deficit funding agreement that has been recognised for SHAPS, and the net defined benefit liability, has been recognised in the charity's Statement of Financial Activities (SOFA). This adjustment has been applied as at 1 April 2018.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the SOFA. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed in note 20 to these accounts.

1.9. Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1.10. Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11. Creditors

Creditors and provisions 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 and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

1.12. Leasing

Leasing rentals payable under operating leases are charged on a straight line basis over the lease term.

1.13. Cash flow statement

The charity has taken advantage of its status as a small charity not to present a cash flow statement as the exemptions allow.

1.14. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.15. Judgements and estimates

In preparing the financial statements, the trustees are required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of judgements and estimation have been applied as follows:

<i>Judgement</i>	<i>Basis of judgement:</i>
Defined benefit pension scheme	Sufficient information is now available to account for the charity's defined benefit pension scheme liability.
<i>Estimate:</i>	<i>Basis of estimation:</i>
Obligation under defined benefit pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate, including the roll-forward of liabilities as detailed in note 20.

PATH (Scotland)
Notes to financial statements
for the year ended 31 March 2020

2. Donations and legacies

	Unrestricted 2020 £	Unrestricted 2019 £
Donations	-	100
Friends of PATH	3,200	4,400
	<u>3,200</u>	<u>4,500</u>

3. Income from charitable activities

	2020 £	2019 £
Scottish Government - Housing Voluntary Grant Scheme	-	85,750
Scottish Government - Equality Fund	35,000	35,000
The Volant Charitable Trust	10,000	-
Placement and development	26,253	20,075
	<u>71,253</u>	<u>140,825</u>

The income from charitable activities was £71,253 (2019 - £140,825) of which £26,253 was unrestricted (2019: £105,825) and £45,000 restricted (2019: £35,000).

4. Investment income

	Unrestricted 2020 £	Unrestricted 2019 £
Interest received	<u>1,804</u>	<u>2,189</u>

5. Costs of charitable activities

	2020 £	2019 £
Trainee development	29,108	44,614
Staff costs	92,464	95,560
Premises costs	14,826	14,888
Running costs	9,663	15,207
Travel costs	1,965	2,211
Pension interest and expense	2,302	2,316
Governance costs (note 6)	3,762	4,350
	<u>154,090</u>	<u>179,146</u>

The cost of charitable activities was £155,069 (2019 - £179,146) of which £110,069 was unrestricted (2019: £107,720) and £45,000 restricted (2019: £71,426).

6. Governance costs

	2020 £	2019 £
Independent examination	1,648	1,940
Professional fees	1,830	2,000
Board expenses	284	410
	<u>3,762</u>	<u>4,350</u>

PATH (Scotland)
Notes to financial statements
for the year ended 31 March 2020

7. Net income for the year

	2020	2019
	£	£
Net incoming resources is stated after charging:		
Depreciation of tangible fixed assets	-	121
Operating lease rentals	13,224	13,320
Independent examiner's remuneration	<u>1,648</u>	<u>1,940</u>

8. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2020	2019
	Number	Number
Management and development staff	<u>3</u>	<u>4</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	81,196	84,495
Social security costs	4,759	4,860
Other pension costs	<u>6,509</u>	<u>6,205</u>
	<u>92,464</u>	<u>95,560</u>

The key management personnel of the Charity comprise the trustees and the Director. The total cost to the charity of employee benefits of the key management personnel of the Charity, including national insurance and pension costs, was £69,252 in the period (2019: £67,902). No employee received employee benefits (excluding employer pension and national insurance costs) of more than £60,000.

9. Trustees' emoluments

No Trustees or any persons connected with them received remuneration. During the year, 2 Trustees were reimbursed travel expenses totalling £82 (2019- £122).

10. Pension costs

During the year, the charity operated a defined contribution scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £6,509 (2019- £6,205).

Prior to 1 April 2014, the charity operated a defined benefit scheme. Contributions towards past service scheme deficits of £10,044 (2019- £9,752) were made in the year (see also note 20).

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11. Tangible Fixed Assets

	Furniture & Equipment £	Total £
Cost		
At 1 April 2019	2,458	2,458
Additions in year	-	-
At 31 March 2020	<u>2,458</u>	<u>2,458</u>
Depreciation		
At 1 April 2019	2,458	2,458
Charge for year	-	-
At 31 March 2020	<u>2,458</u>	<u>2,458</u>
Net book value		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>

12. Debtors

	2020 £	2019 £
Operating debtors	1,250	21,250
Prepayments and accrued income	<u>2,297</u>	<u>250</u>
	<u>3,547</u>	<u>21,500</u>

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Operating creditors	561	27
Other taxes and social security costs	1,904	1,933
Other creditors	7,388	8,104
Accruals and deferred income	<u>3,788</u>	<u>6,068</u>
	<u>13,641</u>	<u>16,132</u>

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14. Lease Commitments

The charity has the following total of future minimum lease payments under non-cancellable operating leases:

	Property £	Equipment £	Total £
Lease payments in not later than 1 year	5,728	2,874	8,602
Lease payments later than 1 year but within 5 years	-	4,536	4,536
Lease payments later than 5 years	-	-	-
	<u>5,728</u>	<u>7,410</u>	<u>13,138</u>

15. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2020 as represented by:			
Fixed assets	-	-	-
Current assets	200,835	-	200,835
Current liabilities	(13,641)	-	(13,641)
Defined benefit pension scheme liability	<u>(7,228)</u>	<u>-</u>	<u>(7,228)</u>
	<u>179,966</u>	<u>-</u>	<u>179,966</u>

16. Unrestricted general funds

	At 1 April 2019 £	Incoming resources	Outgoing resources	Recognised gains/(losses) £	Transfers £	At 31 Mar 2020 £
General fund	44,264	31,257	(109,090)	77,000	42,938	86,369
Scottish Government (Housing and Regeneration)	-	-	-	-	-	-
	<u>44,264</u>	<u>31,257</u>	<u>(109,090)</u>	<u>77,000</u>	<u>42,938</u>	<u>86,369</u>

Purposes of general funds**General fund**

The general fund encompasses all unrestricted income and expenditure relating to the primary activities of the charity which has not been encompassed through other unrestricted or restricted funds.

Scottish Government Housing, Regeneration and Welfare Directorate (Housing Voluntary Grant Scheme)

Scottish Government funding is provided from the Housing Voluntary Grant Scheme towards core activities. This income, together with related costs, is recorded through this fund. This funding ceased in 2018/19.

17. Designated funds

	At 1 April 2019 £	Transfers £	At 31 Mar 2020 £
Fixed Obligation Fund	44,263	42,106	86,369
	<u>44,263</u>	<u>42,106</u>	<u>86,369</u>

This fund represents the setting aside of 50% of the unrestricted funds, after separately having designated amounts within the pension reserve, towards liabilities that are estimated to arise should it be necessary to wind up the organisation.

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18. Pension reserve

	At 1 April 2019 £	Transfers £	At 31 Mar 2020 £
Pension reserve	92,272	(85,044)	7,228
	92,272	(85,044)	7,228

The pension reserve has been set up to reflect the charity's obligations under the Scottish Housing Association Pension Scheme.

19. Restricted funds

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	At 31 Mar 2020 £
Scottish Government, Equality Fund	-	35,000	(35,000)	-
The Volant Charitable Trust	-	10,000	(10,000)	-
	-	45,000	(45,000)	-

Purposes of restricted funds

Scottish Government, Equality Fund

Funding is received from the Scottish Government Equality Fund for the Developing Management and Leadership Programme to assist the Scottish Government meet its strategic outcomes for people from minority ethnic, refugee, asylum seeker and faith communities. The grant funding was spent in full during the year.

The Volant Charitable Trust

Funding is received under a 3-year-programme from The Volant Charitable Trust towards the Training Co-ordinator Salary.

20. Retirement benefit scheme

The charity participates in the Scottish Housing Association Pension Scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

For financial years ending on or before 28 February 2019, it was not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore the charity accounted for the scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus. Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

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20. Retirement benefit scheme (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2020 £000s	31 March 2019 £000s
Fair value of plan assets	413	358
Present value of defined benefit obligation	(420)	(450)
Defined benefit liability to be recognised	<u>(7)</u>	<u>(92)</u>

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ending 31 March 2020 £000s
Defined benefit obligation at start of year	450
Interest expense	11
Actuarial losses due to scheme experience	12
Actuarial gains due to changes in demographic assumptions	(2)
Actuarial gains due to changes in financial assumptions	(51)
Defined benefit obligation at end of year	<u>420</u>

Reconciliation of opening and closing balances of the fair value of plan assets

Fair value of plan assets at start of year	358
Interest income	9
Experience gain on plan assets (excluding amounts included in interest income)	36
Contributions by the employer	10
Fair value of plan assets at end of period	<u>413</u>

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2020 was £45,000.

Defined benefit costs recognised in statement of financial activities

Charitable expenditure

Net interest expense	<u>2</u>	<u>2</u>
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Other recognised gains and losses

Incorporation of defined benefit obligation at 1 April 2019	-	87
Less: de-recognition of past deficit funding agreement liability	-	(39)
Initial recognition of multi-employer defined benefit scheme	<u>-</u>	<u>48</u>
Experience gain on plan assets (excluding amounts included in net interest expense)	36	3
Experience losses on the plan liabilities	(12)	17
Actuarial gains/(losses) due to changes in demographic assumptions	2	(1)
Actuarial gains/(losses) due to changes in financial assumptions	51	(32)
Actuarial losses in respect of pension schemes	<u>77</u>	<u>(13)</u>

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20. Retirement benefit scheme (continued)

Assets

	31 March 2020	31 March 2019
	£000s	£000s
Global Equity	57	58
Absolute Return	25	30
Distressed Opportunities	8	6
Credit Relative Value	10	6
Alternative Risk Premia	33	20
Fund of Hedge Funds	-	1
Emerging Markets Debt	15	12
Risk Sharing	13	10
Insurance-Linked Securities	11	9
Property	8	7
Infrastructure	24	15
Private Debt	8	5
Opportunistic Illiquid Credit	10	-
Corporate Bond Fund	30	25
Liquid Credit	11	-
Long Lease Property	10	4
Secured Income	23	13
Over 15 Year Gilts	5	9
Liability Driven Investment	109	128
Net current assets	3	-
Total assets	<u>413</u>	<u>358</u>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2020	31 March 2019
	% per annum	% per annum
Discount Rate	2.37	2.34
Inflation (RPI)	2.60	3.26
Inflation (CPI)	1.60	2.26
Salary Growth	2.60	3.26
Allowance for commutation of pension for cash at retirement	75% of max. allowance	75% of max. allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	24.5

21. Related party transactions

There were no transactions with related parties requiring disclosure.