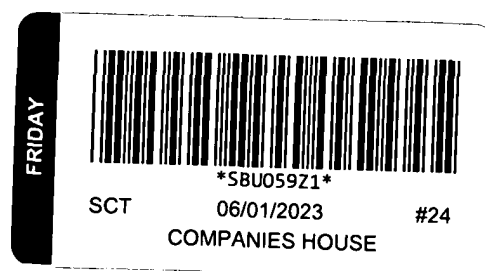


**PATH (Scotland)**  
**Trustees' report and financial statements**  
**for the year ended 31 March 2022**

**Charity number: SC028889**

**Company number: SC194698**



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

<b>Charity name</b>	PATH (Scotland)	
<b>Charity registration number</b>	SC028889	
<b>Company registration number</b>	SC194698	
<b>Trustees</b>	Madhu Satsangi Arnold Black, M.B.E. Anthony Cain Anne Dickie Tim Pogson Edelweisse Thornley (resigned 7 June 2022) Mohanjit Singh (resigned 25 October 2021)	Chair Treasurer
<b>Company Secretary</b>	Najimee Parveen (resigned 6 June 2022)	
<b>Senior Management</b>	Fatima Iftikhar Najimee Parveen (retired 19 April 2022)	Director
<b>Principal office and Registered office</b>	Suite 2 Firhill Business Centre 74-76 Firhill Road Glasgow G20 7BA	
<b>Independent Examiner</b>	Stuart Aiton, C.A. Aiton & Co Chartered Accountants 50 Wellington Street Glasgow G2 6HJ	
<b>Bankers</b>	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
<b>Solicitors</b>	MacRoberts 152 Bath Street Glasgow G2 4TB	

**PATH (Scotland)  
Trustees' Annual Report  
for the year ended 31 March 2022**

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

## **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 the housing sector**

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 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.

We continue to hold drop ins for former and current leadership participants. Challenges include the disproportionate impact of Covid-19 on BAME communities and the fear in those communities, some of whom have lost family members, being furloughed, trying to juggle family and work while working from home, barriers in the workplace, dealing with racist behaviour and many others. Participants value the drop ins' as safe space in a difficult time and value the networks which build up after time.

### **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 2022**

### **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. We are very pleased to report that we have received another 3 years' funding for this valuable project.

### **Mental Health and Wellbeing - funded by the Scottish Government**

We provide support to unemployed and under-employed people from BAME backgrounds in Glasgow to access volunteering, training, education and paid work as well as building confidence, wellbeing and resilience.

### **Positive Steps - Southside - funded by Glasgow Communities Fund**

Our Positive Steps Programme aims to support people from BAME backgrounds to develop their life goals and life plan, improve their knowledge and skills and increase confidence and resilience. The programme gives people tools and an action plan, 1-1 support, job search, interview skills, networking, labour market research and ongoing evaluation and support.

### **Robertson Trust**

We are delighted that the Robertson Trust provided us with 3-year funding to assist with our running costs. As Helena Wilkinson, head of charities and not-for profit accountancy firm Price Bailey LLP said in a recent article:

"We need to stop communicating on what we have spent and concentrate on the difference it has made – and how we know ... Charities must move away from a headline percentage of what's been spent on charitable expenditure and instead show what it costs to make change happen and, by doing so, get to the bottom of what charities are about: making society."

We are also very grateful for the funding from the Endrick Trust and the W.A. Cargill Fund.

## **ACHIEVEMENTS AND PERFORMANCE**

We are delighted to report on the good work that has been carried out this year. We have been involved in assisting the Scottish Government's strategy on the ethnicity pay gap, providing information on positive discrimination, indirect discrimination and employer responsibilities on equalities. We further assisted the Scottish Government's National Leadership Development Programme for Health, Social Work and Social Care Workforce and provided access to research carried out by PATH and others to measure positive action impact as well as assisting the Scottish Government's Workforce, Equalities and Skills – Housing to 2040 group to look at barriers faced by BAME communities when securing employment in housing and composition of the labour force.

We have close links with both the Chartered Institute of Housing (CiH) and the Scottish Federation of Housing Associations (SFHA). Our BAME network meeting in Housing held in collaboration with CiH was established to provide a forum for BAME employees in the housing sector to meet and discuss new initiatives, leadership and a range of other matters. We have worked closely with CiH over the years and were included in the CiH policy on succession planning. We also participated in SFHA's conference on 'Our Sector, Our People'.

Last year PATH (Scotland) was featured in 'Inside Housing' which carried an article on the success of our traineeships. Placement organisations have also spoken about the value that PATH trainees bring to their organisations and the valuable support they provide to teams when resources are limited.

One placement supervisor at West Dunbartonshire Council said the following about the placement:

"PATH are clearly committed to ensuring their trainees have the best experience possible while promoting diversity within the workforce, something West Dunbartonshire Council is very supportive of."

Similarly another placement organisation, Clydebank Housing Association, said about their trainee:

"She has already proven herself to be a valuable member of the CHA team and has been able to make a real difference through some of the work that she has been assigned."

**PATH (Scotland)  
Trustees' Annual Report  
for the year ended 31 March 2022**

An evaluation of our Life skills Programme showed the following;

70 women participated in the project. 9 were from a Pakistani background, 38 from an African background, 12 described themselves as British Asian, 3 were Chinese, 2 were Iranian and we had 1 person from Indian/ Polish/ Arab/ Afghanistan/ Italian and Gypsy/ Traveller background. 3 were between the ages of 18-24, 13 between the ages of 25-34, 44 between the ages of 35-44. 7 between the ages of 45-54 and 3 who were 55+. The women we see are at different stages of their lives, women with health issues that have affected their working lives, women who feel isolated, graduates who are looking for support to move into new careers or new areas of interest, women dealing with racism, bullying and harassment in the workplace and women who are looking for support to move into education, training, employment and self-employment. Participants welcomed the provision of 1-1 support that focused on their needs and priorities. Meeting in local venues made it easier for them to get the support they were looking for. They were able to open up about issues they faced and pleased that they were able to access our services with their children. With easing of restrictions it was possible to meet face to face in library settings/ local cafes and in the home for women with disability issues while still following social distance guidelines. Participants also appreciated support provided on a range of issues such as volunteering opportunities and courses, help with the application process, job referrals and searches, employability searches, support with family and caring issues, health issues, building confidence, challenging racist behaviour, communication and IT skills.

## **FINANCIAL REVIEW**

The charity had net outgoing resources of £19,902 for the year (2021- £16,283) prior to accounting for a movement in the pension scheme liability in the period. Following the change in the pension scheme liability, the surplus for the period was £18,098 (2021 - £74,283 deficit). The charity has accumulated funds of £123,781 at the balance sheet date (2021 - £105,683).

## **Principal funding sources**

The principal sources of income of the charity were grant funding from the Scottish Government and Glasgow City Council, support from The Volant Charitable Trust, the Baird Watson Charitable Trust, Baillie Gifford and the Endrick Trust and generated income from Housing Associations and local authorities as part of the PATH training and education programme.

## **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 2022 amounted to £59,091 (2021- £21,575). 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 guarantee and is a recognised Scottish Charity, No. SC028889. It is governed by its Memorandum and Articles of Association.

### **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.

**PATH (Scotland)**  
**Trustees' Annual Report**  
**for the year ended 31 March 2022**

**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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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).

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.


PATH (Scotland)  
Trustees' Annual Report  
for the year ended 31 March 2022

**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 31 August 2022 and signed on their behalf by



Madhu Satsangi  
Trustee



**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 2022 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

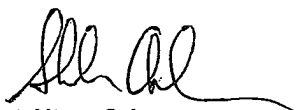
1. which gives me reasonable cause to believe that in any material respect the requirements:

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

31<sup>ST</sup> AUGUST 2022

**PATH (Scotland)**  
**Statement of financial activities (including income and expenditure account)**  
**for the year ended 31 March 2022**

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	Notes	£	£	£	£
<b>Income</b>					
Donations and legacies	2	4,800	-	4,800	14,693
Charitable activities	3	50,500	61,466	111,966	119,587
Investment income	4	535	-	535	1,068
<b>Total income</b>		<u>55,835</u>	<u>61,466</u>	<u>117,301</u>	<u>135,348</u>
<b>Expenditure</b>					
Charitable activities	5	(68,237)	(68,966)	(137,203)	(151,631)
<b>Total resources expended</b>		<u>(68,237)</u>	<u>(68,966)</u>	<u>(137,203)</u>	<u>(151,631)</u>
<b>Net income/(expenditure)</b>		(12,402)	(7,500)	(19,902)	(16,283)
<b>Other recognised gains and losses</b>					
Actuarial gains / (losses) on defined benefit pension schemes	20	<u>38,000</u>	<u>-</u>	<u>38,000</u>	<u>(58,000)</u>
<b>Net movement in funds</b>		25,598	(7,500)	18,098	(74,283)
<b>Reconciliation of funds</b>					
Total funds brought forward		96,308	9,375	105,683	179,966
Total funds carried forward		<u>121,906</u>	<u>1,875</u>	<u>123,781</u>	<u>105,683</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

**PATH (Scotland)**  
**Balance sheet**  
**as at 31 March 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	-	-
<b>Current assets</b>			
Debtors	12	2,152	11,617
Cash at bank and in hand		151,539	161,344
		153,691	172,961
Creditors: amounts falling due within one year	13	(26,185)	(14,120)
<b>Net current assets</b>		127,506	158,841
<b>Total assets less current liabilities</b>		127,506	158,841
Creditors: amounts falling due after more than one year		-	-
<b>Net assets excluding pension liability</b>		127,506	158,841
Defined benefit pension scheme liability	20	(3,725)	(53,158)
<b>Net assets</b>		123,781	105,683
<b>Funds</b>			
Unrestricted funds			
General funds	16	59,091	21,575
Designated funds	17	59,090	21,575
Pension reserve	18	3,725	53,158
Restricted funds	19	1,875	9,375
		123,781	105,683

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the period ended 31 March 2022.

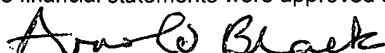
The members have not required the company to obtain an audit of the financial statements for the period ended 31 March 2022 in accordance with section 476 of the Companies Act 2006.

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 31 August 2022 and signed on their behalf by



**Arnold Black**

**Trustee**

Registered number: SC194698

The notes on pages 10 to 19 form an integral part of these financial statements.

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2022**

## **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.

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 2022**

### **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:

#### *Judgement*

Defined benefit pension scheme

#### *Basis of judgement:*

Sufficient information is now available to account for the charity's defined benefit pension scheme liability.

#### *Estimate:*

Obligation under defined benefit pension scheme

#### *Basis of estimation:*

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 2022**

**2. Donations and legacies**

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>2022</b>	<b>2021</b>
	£	£
Donations	500	293
Friends of PATH	4,300	4,400
Glasgow City Council - SBS Fund	-	10,000
	<u>4,800</u>	<u>14,693</u>

**3. Income from charitable activities**

	<b>2022</b>	<b>2021</b>
	£	£
Scottish Government - Equality Fund	20,417	35,000
Scottish Government - Workplace Equality Fund	3,280	14,199
The Volant Charitable Trust	10,000	10,000
Glasgow City Council - Communities Fund	25,269	13,336
Endrick Trust	2,500	2,500
Robertson Trust	25,000	-
WA Cargill Fund	8,000	-
Baillie Gifford Community Awards Programme	-	5,000
Baird Watson Charitable Trust	-	10,000
Placement and development	17,500	29,552
	<u>111,966</u>	<u>119,587</u>

The income from charitable activities was £111,966 (2021: £119,587) of which £50,500 was unrestricted (2021: £29,552) and £61,466 restricted (2021: £90,035).

**4. Investment income**

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>2022</b>	<b>2021</b>
	£	£
Interest received	<u>535</u>	<u>1,068</u>

**5. Costs of charitable activities**

	<b>2022</b>	<b>2021</b>
	£	£
Trainee development	18,612	32,331
Staff costs	96,008	95,426
Premises costs	8,138	10,616
Running costs	9,829	10,125
Travel costs	56	33
Pension interest and expense	1,402	402
Governance costs (note 6)	<u>3,158</u>	<u>2,698</u>
	<u>137,203</u>	<u>151,631</u>

The cost of charitable activities was £137,203 (2021: £151,631) of which £68,237 was unrestricted (2021: £70,971) and £68,966 restricted (2021: £80,860).

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**6. Governance costs**

	<b>2022</b>	<b>2021</b>
	£	£
Independent examination	1,674	1,650
Professional fees	1,386	1,032
Board expenses	98	16
	<u>3,158</u>	<u>2,698</u>

**7. Net income for the year**

	<b>2022</b>	<b>2021</b>
	£	£
Net incoming resources is stated after charging:		
Depreciation of tangible fixed assets	-	-
Operating lease rentals	8,326	10,614
Independent examiner's remuneration	<u>1,674</u>	<u>1,650</u>

**8. Employees**

**Number of employees**

The average monthly numbers of employees during the year were:

	<b>2022</b>	<b>2021</b>
	Number	Number
Management and development staff	<u>3</u>	<u>3</u>

**Employment costs**

	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	85,047	84,249
Social security costs	4,095	4,105
Other pension costs	<u>6,866</u>	<u>7,072</u>
	<u>96,008</u>	<u>95,426</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 £70,025 in the period (2021: £70,960). One employee received employee benefits (excluding employer pension and national insurance costs) in the range £60,000-£70,000 (2021- One).

**9. Trustees' emoluments**

No Trustees or any persons connected with them received remuneration. During the year, 2 Trustees were reimbursed travel expenses totalling £38 (2021- 1 Trustee, £16).

**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 £6,866 (2021- £7,072).

Prior to 1 April 2014, the charity operated a defined benefit scheme. Contributions towards past service scheme deficits of £12,432 (2021- £12,407) were made in the year (see also note 20).

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**11. Tangible Fixed Assets**

	Furniture & Equipment £	Total £
<b>Cost</b>		
At 1 April 2021	2,458	2,458
Additions in year	-	-
At 31 March 2022	<u>2,458</u>	<u>2,458</u>
<b>Depreciation</b>		
At 1 April 2021	2,458	2,458
Charge for year	-	-
At 31 March 2022	<u>2,458</u>	<u>2,458</u>
<b>Net book value</b>		
At 31 March 2022	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>

**12. Debtors**

	2022 £	2021 £
Operating debtors	1,250	5,500
Prepayments and accrued income	<u>902</u>	<u>6,117</u>
	<u>2,152</u>	<u>11,617</u>

**13. Creditors: amounts falling due within one year**

	2022 £	2021 £
Operating creditors	692	0
Other taxes and social security costs	1,857	1,873
Other creditors	10,552	9,307
Accruals and deferred income	<u>13,084</u>	<u>2,940</u>
	<u>26,185</u>	<u>14,120</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	-	1,381	1,381
Lease payments later than 1 year but within 5 years	-	1,944	1,944
Lease payments later than 5 years	-	-	-
	<u>-</u>	<u>3,325</u>	<u>3,325</u>

**15. Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2022 as represented by:			
Fixed assets	-	-	-
Current assets	151,816	1,875	153,691
Current liabilities	(26,185)	-	(26,185)
Defined benefit pension scheme liability	(3,725)	-	(3,725)
	<u>121,906</u>	<u>1,875</u>	<u>123,781</u>

**16. Unrestricted general funds**

	At 1 April 2021 £	Incoming resources	Outgoing resources	Recognised gains/(losses) £	Transfers £	At 31 Mar 2022 £
General fund	21,575	55,835	(68,237)	38,000	11,918	59,091

**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.

	At 1 April 2021 £	Transfers £	At 31 Mar 2022 £
Fixed Obligation Fund	21,575	37,515	59,090
	<u>21,575</u>	<u>37,515</u>	<u>59,090</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 2021 £	Transfers £	At 31 Mar 2022 £
Pension reserve	53,158	(49,433)	3,725
	53,158	(49,433)	3,725

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 2021 £	Incoming resources £	Outgoing resources £	At 31 Mar 2022 £
Scottish Government - Equality Fund	-	20,417	(20,417)	-
Scottish Government - Workplace Equality Fund	-	3,280	(3,280)	-
The Volant Charitable Trust	-	10,000	(10,000)	-
Glasgow City Council - Communities Fund	-	25,269	(25,269)	-
Endrick Trust	1,875	2,500	(2,500)	1,875
BairdWatson Charitable Trust	7,500	-	(7,500)	-
	9,375	61,466	(68,966)	1,875

**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.

**Scottish Government, Workplace Equality Fund**

The Scottish Government's Workplace Equality Fund supported our Positive Moves in Health and Employment Programme which aimed to deliver an online programme in the form of interactive webinars to Managers as well as BAME staff at Greater Glasgow and Clyde NHS.

**Scottish Government, Mental Health & Wellbeing Fund**

The funding will support 20 people who are unemployed or under-employed from a BAME/Refugee and Asylum seeking background in Glasgow to access volunteering, training and education and paid work as well as building confidence, wellbeing and resilience. This funding was received in March 2022 and will be utilised in 2022/23.

**The Volant Charitable Trust**

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

**Glasgow City Council - Communities Fund**

This project aims to support people from BME backgrounds who are unemployed or under-employed in the Southside area to improve their employment opportunities, build resilience and challenge barriers.

**Endrick Trust**

Funding is received under a 3-year-programme from The Endrick Trust towards the provision of employability support.

**BairdWatson Charitable Trust**

This project aimed to support people from BAME backgrounds who are unemployed or under-employed to improve employment opportunities, build resilience, in particular financial resilience, and reduce unemployment.

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## **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 accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest actuarial valuation of the scheme was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 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.

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

	31 March 2022 £000s	31 March 2021 £000s
Fair value of plan assets	486	464
Present value of defined benefit obligation	(490)	(517)
Defined benefit liability to be recognised	<u>(4)</u>	<u>(53)</u>

### **Reconciliation of opening and closing balances of the defined benefit obligation**

	Year ending 31 March 2022 £000s	Year ending 31 March 2021 £000s
Defined benefit obligation at start of year	517	420
Interest expense	11	10
Actuarial losses (gains) due to scheme experience	5	(5)
Actuarial losses due to changes in demographic assumptions	1	-
Actuarial (gains) losses due to changes in financial assumptions	(44)	92
Defined benefit obligation at end of year	<u>490</u>	<u>517</u>

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

Fair value of plan assets at start of year	464	413
Interest income	10	10
Experience (loss) gain on plan assets (excluding amounts included in interest income)	(1)	29
Contributions by the employer	13	12
Fair value of plan assets at end of period	<u>486</u>	<u>464</u>

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2022 was £39,000 (2021: £45,000).

**PATH (Scotland)**  
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**20. Retirement benefit scheme (continued)**

**Defined benefit costs recognised in statement of financial activities**

**Charitable expenditure**

Net interest expense	<u>1</u>	<u>-</u>
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**Other recognised gains and losses**

Experience (loss) gain on plan assets (excluding amounts included in net interest expense)	(1)	29
Experience (losses)/gains on the plan liabilities	(5)	5
Actuarial (losses)/gains due to changes in demographic assumptions	(1)	-
Actuarial gains/(losses) due to changes in financial assumptions	44	(92)
Actuarial losses in respect of pension schemes	<u>37</u>	<u>(58)</u>

**Assets**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£000s</b>	<b>£000s</b>
Global Equity	96	72
Absolute Return	22	23
Distressed Opportunities	17	16
Credit Relative Value	16	13
Alternative Risk Premia	20	19
Emerging Markets Debt	18	19
Risk Sharing	16	17
Insurance-Linked Securities	10	10
Property	13	8
Infrastructure	30	26
Private Debt	12	11
Opportunistic Illiquid Credit	16	12
High Yield	5	12
Opportunistic Credit	2	13
Cash	1	-
Corporate Bond Fund	31	35
Liquid Credit	3	8
Long Lease Property	14	11
Secured Income	26	25
Liability Driven Investment	118	111
Currency Hedging	(2)	-
Net current assets	<u>2</u>	<u>3</u>
Total assets	<u>486</u>	<u>464</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.

**PATH (Scotland)**  
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**20. Retirement benefit scheme (continued)**

**Key assumptions**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	2.79	2.18
Inflation (RPI)	3.54	3.27
Inflation (CPI)	3.17	2.87
Salary Growth	4.17	3.87
Allowance for commutation of pension for cash at retirement	75% of max. allowance	75% of max. allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	<b>Life expectancy at age 65 (years)</b>	
Male retiring in 2022	21.6	21.5
Female retiring in 2022	23.9	23.4
Male retiring in 2042	22.9	22.8
Female retiring in 2042	25.4	25.0

**21. Related party transactions**

There were no transactions with related parties requiring disclosure.