

**PATH (Scotland)**  
**Trustees' report and financial statements**  
**for the year ended 31 March 2021**

**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 Edelweisse Thornley Arnold Black, M.B.E. Anthony Cain Anne Dickie Tim Pogson Mohanjit Singh	Chair Vice Chair Treasurer
<b>Company Secretary</b>	Najimee Parveen	
<b>Senior Management</b>	Najimee Parveen	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 2021**

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2021.

## **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 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.

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### **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

### **Scottish Government**

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. The programme highlighted how discrimination operates in the workplace and its impact on others. In addition, it highlighted managers' roles and responsibilities in implementing equality and diversity.

### **Glasgow City Council**

This project funded by Glasgow City Council's Community fund 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.

### **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.

### **BairdWatson Charitable Trust**

This project aims 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.

The Endrick Trust and Baillie Gifford have also funded our work this year.

## **ACHIEVEMENTS AND PERFORMANCE**

We were delighted to receive the award for Championing Excellence in Equality and Diversity for our positive action traineeships presented at Scotland's Housing awards in February 2021.

We have been working with the Scottish Federation of Housing Associations to look at structural discrimination in the housing sector and the absence of BAME communities in leadership positions.

Our BAME network meetings in Housing held in collaboration with the CIH continue to flourish. At the latest network speakers included Michelle Major, Change Lead at Homelessness Network Scotland who updated the network on Housing First in Scotland and Martin Hilditch, Director of Inside Housing who spoke about equality measures taken within Inside Housing.

The Depute Director of Inside Housing was keen to write a feature on the PATH trainee programme and spoke to a number of our trainees/former trainees and placement organisations. The feature appeared in a recent episode of Inside Housing.

One of the reasons for running the project with NHS GGC HB was that the Equality and Human Rights Commission announced in November 2020 that it had opened a statutory inquiry into racial inequality of BAME workers in low paid roles in health and social care. The EHRC said that it would examine the experience of workers from a range of ethnic minorities employed in lower-paid roles within the health and social care sectors across England, Scotland and Wales. The EHRC went on to say that the inquiry will also look at why ethnic minorities are disproportionately impacted by Covid-19 and are looking at working environments where, ethnic minorities are over-represented at the lowest paid levels.

**PATH (Scotland)  
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for the year ended 31 March 2021**

We ran six webinars for managers in this project. The webinars aimed to assist managers to support their understanding of the systematic ways in which inequality is perpetuated and maintained and its impact on individuals and the power dynamics in their relationships at work so that they could develop practical ways to create an inclusive culture in which all staff can thrive. 4 webinars were run for staff from BAME backgrounds to look at internal and external barriers to progress within the organisation and to identify actions to build resilience and personal effectiveness.

In total 119 managers and 18 BAME staff attended the workshops. Feedback from managers included the following:

- *"It was a very informative and thought-provoking session, which challenged my own thoughts and practice."*
- *"Very useful workshop was great to interact with a large group of people from various job roles within the NHS/Partnerships. Was nice to see how appreciative everyone was of others' opinions and thoughts within the group. Everyone seemed very supportive."*

BAME staff noted the following:

- *"I feel enraged when I have been discriminated against. But we tend to internalise these feelings and let them eat away at us."*
- *"sometimes I ignore it, sometimes I confront it and ask what the person was intending....."*

Participants found that the discussions were not an opportunity to complain but a chance to share ways to increase their effectiveness, through developing their communication and assertiveness skills and by building their networks.

#### **Developing Management and Leadership Skills Programme**

Many of the DMLS participants are well qualified and underemployed but their experiences, including of racism, had made it difficult for them to fulfil their potential and, for some, this had undermined their confidence. They were keen to find opportunities that would enable them to renew their visions - and then turn them into reality. Their resilience, hard work, determination and kindness towards each other is the real success of the DMLS programme and network. Some examples are below:

- Because of her own experience of not being able to access information, one participant set up an information hub for people from black and minority ethnic communities.
- Despite many applications and just as many rejections, one participant was pleased to secure a one-year traineeship which would give her paid work experience and put her in a better position to secure employment that met her skill level. Soon after beginning, she heard that she had been appointed to a permanent post she had earlier applied to in the Scottish Government. Her perseverance and determination made the difference, and she acknowledges and appreciates the support and encouragement she received from the DMLS network.
- One participant is advocating for New Scots to get their skills recognised via Skills Recognition Scotland.
- Participants were proactively seeking and creating opportunities to further develop their skills and progress their careers - giving presentations, raising profile, building networks. And everyone has increased their digital skills!
- Participants also very much appreciated the 'drop-in' sessions as a safe place to talk not only about their own feelings but also to express the range of other emotions that have surfaced when having to respond to questions about racism, discrimination and inequality from managers and colleagues.

Participants also very much appreciated the 'drop-in' sessions as a safe place to talk not only about their own feelings but also to express the range of other emotions that have surfaced when having to respond to questions about racism, discrimination and inequality from managers and colleagues.

#### **FINANCIAL REVIEW**

The charity had net outgoing resources of £16,283 for the year (2020 - £77,833) 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 £74,283 (2020 - £833). The charity has accumulated funds of £105,683 at the balance sheet date (2020 - £179,966).

**PATH (Scotland)  
Trustees' Annual Report  
for the year ended 31 March 2021**

**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 2021 amounted to £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.

**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.

**PATH (Scotland)  
Trustees' Annual Report  
for the year ended 31 March 2021**

**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

**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.

**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 23 August 2021 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 2021 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

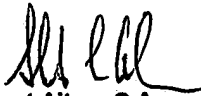
1. which gives me reasonable cause to believe that in any material respect the requirements:

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 Alton, C.A.**  
**Partner**

**Alton & Co**  
**Chartered Accountants**  
**50 Wellington Street**  
**Glasgow**  
**G2 6HJ**

23 August 2021

**PATH (Scotland)**  
**Statement of financial activities (including income and expenditure account)**  
**for the year ended 31 March 2021**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Donations and legacies	2	14,693	-	14,693	3,200
Charitable activities	3	29,552	90,035	119,587	71,253
Investment income	4	1,068	-	1,068	1,804
<b>Total income</b>		<u>45,313</u>	<u>90,035</u>	<u>135,348</u>	<u>76,257</u>
<b>Expenditure</b>					
Charitable activities	5	(70,971)	(80,660)	(151,631)	(154,090)
<b>Total resources expended</b>		<u>(70,971)</u>	<u>(80,660)</u>	<u>(151,631)</u>	<u>(154,090)</u>
<b>Net income/(expenditure)</b>		(25,658)	9,375	(16,283)	(77,833)
<b>Other recognised gains and losses</b>					
Actuarial (losses) / gains on defined benefit pension schemes	20	(58,000)	-	(58,000)	77,000
<b>Net movement in funds</b>		(83,658)	9,375	(74,283)	(833)
<b>Reconciliation of funds</b>					
Total funds brought forward		179,966	-	179,966	180,799
<b>Total funds carried forward</b>		<u>96,308</u>	<u>9,375</u>	<u>105,683</u>	<u>179,966</u>

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

**PATH (Scotland)**  
**Balance sheet**  
**as at 31 March 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	-	-
<b>Current assets</b>			
Debtors	12	11,617	3,547
Cash at bank and in hand		<u>161,344</u>	<u>197,288</u>
		172,961	200,835
Creditors: amounts falling due within one year	13	<u>(14,120)</u>	<u>(13,641)</u>
<b>Net current assets</b>		<u>158,841</u>	<u>187,194</u>
<b>Total assets less current liabilities</b>		158,841	187,194
Creditors: amounts falling due after more than one year		-	-
<b>Net assets excluding pension liability</b>		158,841	187,194
Defined benefit pension scheme liability	20	<u>(53,158)</u>	<u>(7,228)</u>
<b>Net assets</b>		<u>105,683</u>	<u>179,966</u>
<b>Funds</b>			
Unrestricted funds			
General funds	16	21,575	86,369
Designated funds	17	21,575	86,369
Pension reserve	18	53,158	7,228
Restricted funds	19	9,375	-
		<u>105,683</u>	<u>179,966</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the period ended 31 March 2021.

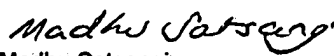
The members have not required the company to obtain an audit of the financial statements for the period ended 31 March 2021 in accordance with section 476 of the Companies Act 2006.

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 23 August 2021 and signed on their behalf by

  
 Madhu Satsangi  
 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 2021**

## **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 2020), 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 2021**

### **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 2021**

**2. Donations and legacies**

	Unrestricted 2021 £	Unrestricted 2020 £
Donations	293	-
Friends of PATH	4,400	3,200
Glasgow City Council - SBS Fund	10,000	-
	<u>14,693</u>	<u>3,200</u>

**3. Income from charitable activities**

	2021 £	2020 £
Scottish Government - Equality Fund	35,000	35,000
Scottish Government - Workplace Equality Fund	14,199	-
The Volant Charitable Trust	10,000	10,000
Glasgow City Council - Communities Fund	13,336	-
Endrick Trust	2,500	-
Baillie Gifford Community Awards Programme	5,000	-
Baird Watson Charitable Trust	10,000	-
Placement and development	29,552	26,253
	<u>119,587</u>	<u>71,253</u>

The income from charitable activities was £119,587 (2020: £71,253) of which £29,552 was unrestricted (2020: £26,253) and £90,035 restricted (2020: £45,000).

**4. Investment income**

	Unrestricted 2021 £	Unrestricted 2020 £
Interest received	<u>1,068</u>	<u>1,804</u>

**5. Costs of charitable activities**

	2021 £	2020 £
Trainee development	32,331	29,108
Staff costs	95,426	92,464
Premises costs	10,616	14,826
Running costs	10,125	9,663
Travel costs	33	1,965
Pension interest and expense	402	2,302
Governance costs (note 6)	2,698	3,762
	<u>151,631</u>	<u>154,090</u>

The cost of charitable activities was £151,631 (2020: £154,090) of which £70,971 was unrestricted (2020: £109,090) and £80,660 restricted (2020: £45,000).

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

**6. Governance costs**

	<b>2021</b>	<b>2020</b>
	£	£
Independent examination	1,650	1,648
Professional fees	1,032	1,830
Board expenses	16	284
	<u>2,698</u>	<u>3,762</u>

**7. Net income for the year**

	<b>2021</b>	<b>2020</b>
	£	£
Net incoming resources is stated after charging:		
Depreciation of tangible fixed assets	-	-
Operating lease rentals	10,615	13,224
Independent examiner's remuneration	<u>1,650</u>	<u>1,648</u>

**8. Employees**

**Number of employees**

The average monthly numbers of employees during the year were:

	<b>2021</b>	<b>2020</b>
	Number	Number
Management and development staff	<u>3</u>	<u>3</u>

**Employment costs**

	<b>2021</b>	<b>2020</b>
	£	£
Wages and salaries	84,249	81,196
Social security costs	4,105	4,759
Other pension costs	<u>7,072</u>	<u>6,509</u>
	<u>95,426</u>	<u>92,464</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 £70,960 in the period (2020: £69,252). One employee received employee benefits (excluding employer pension and national insurance costs) in the range £60,000-£70,000 (2020- None).

**9. Trustees' emoluments**

No Trustees or any persons connected with them received remuneration. During the year, 1 Trustee was reimbursed travel expenses totalling £16 (2020- 2 Trustees, £82).

**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 £7,072 (2020- £6,509).

Prior to 1 April 2014, the charity operated a defined benefit scheme. Contributions towards past service scheme deficits of £12,407 (2020- £10,044) were made in the year (see also note 20).

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

**11. Tangible Fixed Assets**

	<b>Furniture &amp; Equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2020	2,458	2,458
Additions in year	-	-
At 31 March 2021	<u>2,458</u>	<u>2,458</u>
<b>Depreciation</b>		
At 1 April 2020	2,458	2,458
Charge for year	-	-
At 31 March 2021	<u>2,458</u>	<u>2,458</u>
<b>Net book value</b>		
At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>-</u>

**12. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
Operating debtors	5,500	1,250
Prepayments and accrued income	<u>6,117</u>	<u>2,297</u>
	<u>11,617</u>	<u>3,547</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Operating creditors	-	561
Other taxes and social security costs	1,873	1,904
Other creditors	9,307	7,388
Accruals and deferred income	<u>2,940</u>	<u>3,788</u>
	<u>14,120</u>	<u>13,641</u>



**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

**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	-	1,845	1,845
Lease payments later than 1 year but within 5 years	-	3,325	3,325
Lease payments later than 5 years	-	-	-
	<u>-</u>	<u>5,171</u>	<u>5,171</u>

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

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2021 as represented by:			
Fixed assets	-	-	-
Current assets	163,586	9,375	172,961
Current liabilities	(14,120)	-	(14,120)
Defined benefit pension scheme liability	(53,158)	-	(53,158)
	<u>96,308</u>	<u>9,375</u>	<u>105,683</u>

**16. Unrestricted general funds**

	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Recognised gains/(losses) £	Transfers £	At 31 Mar 2021 £
General fund	86,369	45,313	(70,971)	(58,000)	18,864	21,575

**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 2020 £	Transfers £	At 31 Mar 2021 £
Fixed Obligation Fund	86,369	(64,794)	21,575
	<u>86,369</u>	<u>(64,794)</u>	<u>21,575</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.

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

**18. Pension reserve**

	At 1 April 2020 £	Transfers £	At 31 Mar 2021 £
Pension reserve	7,228	45,930	53,158
	<u>7,228</u>	<u>45,930</u>	<u>53,158</u>

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 2020 £	Incoming resources £	Outgoing resources £	At 31 Mar 2021 £
Scottish Government - Equality Fund	-	35,000	(35,000)	-
Scottish Government - Workplace Equality Fund	-	14,199	(14,199)	-
The Volant Charitable Trust	-	10,000	(10,000)	-
Glasgow City Council - Communities Fund	-	13,336	(13,336)	-
Endrick Trust	-	2,500	(625)	1,875
Baillie Gifford Community Awards Programme	-	5,000	(5,000)	-
Baird Watson Charitable Trust	-	10,000	(2,500)	7,500
	<u>-</u>	<u>90,035</u>	<u>(80,660)</u>	<u>9,375</u>

**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.

**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.

**Baillie Gifford Community Awards Programme**

This aims to deliver an employability project targeting adults from a BAME background who are either unemployed or under-employed.

**Baird Watson Charitable Trust**

This project aims 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.

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

**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 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 2020 to 29 February 2021 inclusive. Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 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 2021 £000s	31 March 2020 £000s
Fair value of plan assets	464	413
Present value of defined benefit obligation	(517)	(420)
Defined benefit liability to be recognised	<u>(53)</u>	<u>(7)</u>

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

	Year ending 31 March 2021 £000s	
Defined benefit obligation at start of year	420	450
Interest expense	10	11
Actuarial losses due to scheme experience	(5)	12
Actuarial gains due to changes in demographic assumptions	-	(2)
Actuarial gains due to changes in financial assumptions	92	(51)
Defined benefit obligation at end of year	<u>517</u>	<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	413	358
Interest income	10	9
Experience gain on plan assets (excluding amounts included in interest income)	29	36
Contributions by the employer	12	10
Fair value of plan assets at end of period	<u>464</u>	<u>413</u>

The actual return on plan assets (including any changes in share of assets) over the year ended 31 March 2021 was £39,000 (2020: £45,000).

**PATH (Scotland)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

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

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

**Charitable expenditure**

Net interest expense	-	2
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**Other recognised gains and losses**

Experience gain on plan assets (excluding amounts included in net interest expense)	29	36
Experience losses on the plan liabilities	5	(12)
Actuarial gains/(losses) due to changes in demographic assumptions	-	2
Actuarial gains/(losses) due to changes in financial assumptions	(92)	51
Actuarial losses in respect of pension schemes	(58)	77

**Assets**

	31 March 2021 £000s	31 March 2020 £000s
Global Equity	72	57
Absolute Return	23	25
Distressed Opportunities	16	8
Credit Relative Value	13	10
Alternative Risk Premia	19	33
Fund of Hedge Funds	-	-
Emerging Markets Debt	19	15
Risk Sharing	17	13
Insurance-Linked Securities	10	11
Property	8	8
Infrastructure	26	24
Private Debt	11	8
Opportunistic Illiquid Credit	12	10
High Yield	12	-
Opportunistic Credit	13	-
Corporate Bond Fund	35	30
Liquid Credit	8	11
Long Lease Property	11	10
Secured Income	25	23
Over 15 Year Gilts	-	5
Liability Driven Investment	111	109
Net current assets	3	3
Total assets	464	413

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)**  
**Notes to financial statements**  
**for the year ended 31 March 2021**

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

**Key assumptions**

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	2.18	2.37
Inflation (RPI)	3.27	2.60
Inflation (CPI)	2.87	1.60
Salary Growth	3.87	2.60
Allowance for commutation of pension for cash at retirement	75% of max. allowance	75% of max. allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	<b>Life expectancy at age 65 (years)</b>	
Male retiring in 2021	21.5	21.5
Female retiring in 2021	23.4	23.2
Male retiring in 2041	22.8	22.8
Female retiring in 2041	25.0	24.5

**21. Related party transactions**

There were no transactions with related parties requiring disclosure.

**PATH (Scotland)**  
**Detailed statement of financial activities**  
**For the year ended 31 March 2021**

	2021 £	2020 £
<b>Income</b>		
<b>Donations and legacies</b>		
Donations	293	-
Friends of PATH	4,400	3,200
Glasgow City Council - SBS Fund	10,000	-
	<u>14,693</u>	<u>3,200</u>
<b>Investment income</b>		
Interest received	<u>1,068</u>	<u>1,804</u>
<b>Income from charitable activities</b>		
Scottish Government - Equality Fund	35,000	35,000
Scottish Government - Workplace Equality Fund	14,199	-
The Volant Charitable Trust	10,000	10,000
Glasgow City Council - Communities Fund	13,336	-
Endrick Trust	2,500	-
Baillie Gifford Community Awards Programme	5,000	-
Baird Watson Charitable Trust	10,000	-
Placement and development	29,552	26,253
	<u>119,587</u>	<u>71,253</u>
<b>Total incoming resources</b>	<b>135,348</b>	<b>76,257</b>
<b>Total expenditure</b>	<b>151,631</b>	<b>154,090</b>
<b>Net income for the year</b>	<u><b>(16,283)</b></u>	<u><b>(77,833)</b></u>

**PATH (Scotland)**  
**Detailed statement of financial activities**  
**For the year ended 31 March 2021**

	2021 £	2020 £
<b>Expenditure</b>		
<b>Charitable activities</b>		
<i><b>Staff costs</b></i>		
Wages and salaries	84,249	81,196
Employer's NI contributions	4,105	4,759
Staff pension costs	7,072	6,509
	<u>95,426</u>	<u>92,464</u>
<i><b>Projects and Activities Costs</b></i>		
Trainee allowances & expenses	11,845	10,399
University fees	12,401	8,973
Trainee development	-	43
Developing Management & Leadership course	8,085	9,693
	<u>32,331</u>	<u>29,108</u>
<i><b>Premises costs</b></i>		
Rent and rates	7,629	10,300
Insurance	1,444	1,479
Heat, light and services	1,543	3,047
	<u>10,616</u>	<u>14,826</u>
<i><b>Running costs</b></i>		
Postage and stationery	112	172
Printing and marketing	1,435	1,200
Telephone	2,055	1,924
Equipment hire	2,986	2,924
General expenses	805	415
Office supplies and equipment	433	667
Subscriptions	1,796	1,665
Staff training	-	65
Legal and professional	503	631
Depreciation	-	-
	<u>10,125</u>	<u>9,663</u>
<i><b>Travel costs</b></i>		
Travel and subsistence	33	1,965
<i><b>Pension costs</b></i>		
Interest expense on pension deficit	-	2,000
Management charge	402	302
	<u>402</u>	<u>2,302</u>
<i><b>Governance costs</b></i>		
Independent examination	1,650	1,648
Professional fees	1,032	1,830
Board expenses	16	284
	<u>2,698</u>	<u>3,762</u>
<b>Total expenditure</b>	<u>151,631</u>	<u>154,090</u>