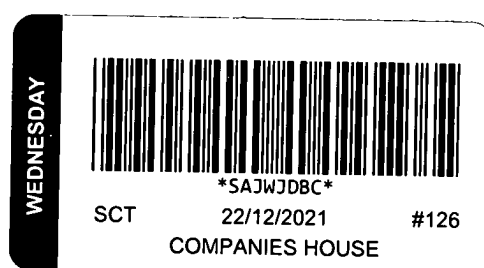




Company No. SC202687  
Charity No. SC029757

**Young Scot Enterprise**  
**(company limited by guarantee)**  
**Financial Statements**  
**For the year ending 31st March 2021**



**YOUNG SCOT ENTERPRISE**  
**FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

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**YOUNG SCOT ENTERPRISE**  
**DIRECTORS' REPORT**  
**For the year ended 31 March 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

**Reference and Administration Information**

<b>Directors:</b>	<b>Chair</b>	E Wallace OBE Chair	
	<b>Vice Chair</b>	C Sneddon	
	<b>Vice Chair</b>	J Sweeney MBE	Resigned 29 <sup>th</sup> June 2020
	<b>Vice Chair</b>	A Wilson	
		I Campbell	Appointed 29 <sup>th</sup> September 2020
		M Coppack	
		M G Cuthbert OBE	
		E Dampney	Appointed 29 <sup>th</sup> June 2020
		C Downie MBE	
		T Frew	
		T Lamont	Appointed 29 <sup>th</sup> June 2020
		S McGlinchey	
		W Orlicka	Appointed 5 <sup>th</sup> November 2020
		R Parker	
<b>Secretary:</b>		B Payne	Resigned 29 <sup>th</sup> September 2020
		B Robb	Resigned 27 <sup>th</sup> October 2020
		A Simmons	
		H Scott	
		M Williamson	Appointed 29 <sup>th</sup> June 2020
<b>Chief Executive:</b>		M L Macdonald OBE	
<b>Registered Office:</b>	Rosebery House 9 Haymarket Terrace Edinburgh EH12 5EZ		
<b>External Auditor:</b>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL		
<b>Internal Auditor:</b>	TIAA Artillery House Fort Fareham Newgate Lane Fareham, Hants PO14 1AH		
<b>Solicitors:</b>	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA		
<b>Bankers:</b>	Bank of Scotland Princes Exchange 3 Earl Grey Street Edinburgh EH3 9BN		
	Royal Bank of Scotland 142-144 Princes Street Edinburgh EH2 4EQ		

## OBJECTIVES AND ACTIVITIES

### Vision

Our vision, in our current Strategic Plan, is that by 2022 we will be providing young people in Scotland with high quality, relevant and timely information. We will do this through a multi-platform approach, connecting young people to the services and opportunities they need, that will empower them to design and influence services, systems and policy and share power with decision-makers and service providers.

### Mission

Our mission is to support young people to make **informed** decisions and choices, **connecting** them to opportunities and **empowering** them to share and hold power in the design of services and policy.

### Values

The core values that underpin Young Scot's approach to realising this vision are:

- **Responsive:** - We have strong "customer" focus; we get the job done, committed to providing reliable quality at all times and placing young people at the heart of everything we do.
- **Passionate:** - We are positive and ambitious – for young people and for our organisation. We have a "can do" and "will do" attitude and demonstrate leadership in our thoughts and actions.
- **Inspirational:** - We are enthusiastic in our actions, welcoming of people and new opportunities. We communicate effectively with each other and with stakeholders, sharing our passion and integrity.
- **Innovative:** - We embrace and welcome change; enjoy meeting new challenges and opportunities head on and work hard to meet the continually evolving needs of young people.
- **Supportive:** - We value everyone, and we work as one flexible team. We nurture talent and celebrate success. We deliver everything that we do with integrity and we are proud of our organisation and the work we do.

**The principal activities of the Company are to provide young people in Scotland aged 11-26 with a combination of information, ideas and opportunities to:**

- promote the development and provision of education and in particular social education and health education for young people;
- enable them to make informed decisions and choices about their lives;
- turn their ideas into action;
- take advantage of the opportunities available to them in Scotland and the rest of Europe;
- enable them to have the knowledge and confidence to become active citizens in their communities.

## YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT

For the year ended 31 March 2021

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Young Scot is focussing our work towards a vision where Scotland's young people can be:

- **Informed – via** a re-energised national youth information service providing a one-stop shop for young people in Scotland, aligning to European Youth Information Charter, empowering young people to make informed decisions and choices.
- **Connected – via** the transformation of the Young Scot National Entitlement Card (YSNEC) programme to give young people personalised enhanced entitlements, opportunities, incentives and services in a non-stigmatising way.
- **Empowered – with** an evolution of our empowerment approach to enable young people to participate more effectively in society; design services and policy and share power as Systems Changers and Influencers, locally, nationally and globally.

We use the strategic objectives of **Informed, Connected and Empowered** to support young people to learn and grow, live and thrive and work and achieve, with the ambition of supporting them to make meaning of their lives as they grow up and face transitions.

### OUTCOMES

- **Informed** - young people have increased access to high quality, relevant and timely information. Young people have more opportunities to improve their ability to make informed decisions and choices.
- **Connected** - young people have increased access to entitlements, opportunities and services to support their wellbeing and realise their ambitions. Young people have greater choice and parity of access to entitlements, opportunities and services via YSNEC and the smartphone wallet app.
- **Empowered** - young people, and particularly those whose voices are seldom heard, have more opportunities to design services and policy and share power by becoming Systems Changers and Influencers. Young people have increased opportunities to participate in decision-making at the highest levels.

### Principles for Delivery

In delivering the above impacts, our approach ensures equalities and inclusion are at the heart of what we do – we aim to remove barriers to access and participation and to give a voice to those who face greater disadvantage; not only in accessing Young Scot services but also in the delivery of quality public services in Scotland. Young Scot adopts a rights-based approach to our work, ensuring that young people's rights are at the forefront of our delivery, aligning to the UNCRC (United Nations Convention on The Rights of the Child) which is now protected in Scots Law. Delivering our services within the framework of a model of universal entitlement is crucial, where:

1. Universal services are available to all Scotland's young people.
2. Targeted work is implemented to remove barriers and make those services relevant to particular groups.
3. Bespoke products and services are created to improve outcomes and tackle inequalities for young people.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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The strategic objectives of the organisation are set out in more detail under the Achievements and Performance section which follows.

#### **ACHIEVEMENTS AND PERFORMANCE FINANCIAL YEAR 2020/2021**

This report covers the period of the second year of delivering our current Strategic Plan. During this year of the COVID-19 pandemic we managed to continue to deliver our services and make a positive impact in the lives of the young people we support. It was necessary to refresh, evolve and enhance our products and services to primarily digital delivery, but also to prioritise and focus on providing support and information to help young people navigate the pandemic. We have outlined the key work undertaken within each strategic impact below.

#### **STRATEGIC OBJECTIVE - INFORMED**

##### **Digital Platform**

- Nearly 950,000 social media engagements (compared to 513,342 in 2019/20 – an increase of 79%).
- Nearly 100,000 visits to young.scot/coronavirus – with over 146,000 social media engagements on COVID-19 content.
- Development and growth of TikTok for content dissemination and engagement with young people – with over 20,000 followers and nearly 400,000 likes.
- #YSHealth Panel co-created content on a wide range of areas, including COVID-19 lateral flow testing, face-coverings, test and protect app testing, mental health, emotional wellbeing and Vitamin D information.
- Information campaigns delivered across multiple digital platforms, including Glow/e-Sgoil. Included Money and Me (financial capability), #Globescotters (international outlook), #AyeFeel (mental health and emotional wellbeing), and organ and tissue donation.

#### **STRATEGIC OBJECTIVE – CONNECTED**

##### **Young Scot National Entitlement Card**

- Young Scot, through representation on the NEC Programme Board, has regular engagement with NECPO on areas of development and compliance.
- During this last year because of the outbreak of COVID-19, the issuing of new or replacement Young Scot National Entitlement Cards was not possible until August 2020.
- We continue to work with Scottish Government, Transport Scotland and the NEC Board regarding the implementation for free bus transport for 19 and under.

### **Discounts, Entitlements and Rewards**

- Online discounts helped deliver a 93% increase in the number of discount codes accessed in 2020/21.
- Successful transition of Young Scot Membership services and discounts to digital programme due to COVID-19 pandemic.
- Young Scot announced as key stakeholder in the Transport Scotland Under 19s free bus travel offer, to be delivered on the Young Scot National Entitlement Card.
- 'Do I Look Like I Care?' campaign reached over 6 million impressions across social media and applications for #YSCarers increased by 184%.

### **Proof of Age Standard Scheme (PASS)**

- Smart Services Director has been appointed to the PASS Board. Audits adapted to digital delivery to maintain our PASS standards.

## **STRATEGIC OBJECTIVE - EMPOWERED**

### **Co-Design/Service Design**

- Young Scot Hive #YSHive service design offers successfully launched in July 2020 to both young people and stakeholders.
- We continue to deliver a diverse range of co-design projects with new and existing partners. A range of reports can be found on the [Young Scot Observatory](#), including supporting the Young Person's Guarantee to tackle youth unemployment and education recovery as part of response to COVID-19.
- We have reviewed our equality and diversity statistics across all Young Scot co-design projects. We are improving our data gathering approach against the new Young Scot Monitoring and Evaluation Framework for 2021-22 through our CRM system.

### **Young Scot Awards**

- Staged the Sunday Mail Young Scot Awards online in September 2020
- Received 683 nominees for the Young Scot Awards 2020.
- Media coverage of ceremony and finalists appeared in 32 pieces of coverage across local and national press.

### **Support Services**

- Successful transition to fully working at home – with minimal service interruption. All staff received full access to appropriate equipment and technology, including a fully comprehensive Wellbeing Programme and Health & Safety Assessments.
- Commenced work to enhance our equalities approach, with a shift to becoming an explicitly anti-racist organisation. Refreshed and revised Diversity Equity and Inclusion Strategy and working to embed into all systems and policies across Young Scot.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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#### **VOLUNTEER TIME**

- We benefit from the work of volunteers across the organisation. To better reflect the nature of our volunteering between direct volunteering with Young Scot and other volunteering opportunities that we promote and support, we have amended how we report volunteers' hours and are now only reporting on direct volunteering with Young Scot. We continue to work with a wide variety of stakeholders and youth projects to promote wider volunteering opportunities to young people across Scotland.
- During 2020/21 young people provided 1,602 hours of support through volunteering at an operational level (2019/20 1,075 hours). Young Scot received a further 452 voluntary hours (2019/20 414 hours) at a strategic level from the Young Scot Board and Advisory Council.

#### **FINANCIAL REVIEW 2020/2021**

The past financial year has seen Young Scot further enhance its services through project funding and the continued support of the Scottish Government departments, Local Authorities and other cross-sector partners. Young Scot was also able to secure additional funding to run specific Covid 19 information campaigns. The company's activities have been maintained by actual grants received of £1,899,891 (2020: £1,636,798) per note 4 in the financial statements, income from services provided of £1,344,653 (2020: £940,334) and investment income of £693 (2020: £2,522). This resulted in total income of £3,245,237 (2020: £2,579,654).

Young Scot has worked to maintain and develop its funding and stakeholder relationships during the year. We review and monitor the external environmental impacts on our two key funders Scottish Government and Local Authorities.

Appreciation is recorded for the support received during the year from Scottish Government Public Health and Children & Families/Positive Futures Directorates. In addition, we would like to record our thanks to partners including: Children in Scotland, Co-operative Foundation, CORRA Foundation, COSLA, Creative Scotland, National Trust for Scotland, Paul Hamlyn Foundation, The Sisters Trust, Police Scotland, sportscotland, Scottish Natural Heritage, Scottish Youth Parliament, Skills Development Scotland, YouthLink Scotland, and Scottish Local Authorities and gratefully acknowledge the support from other organisations across Scotland towards our activities.

Income from all sources for the year to 31 March 2021 was £3,245,237 (2020: £2,579,654) and operating expenses totalled £2,994,294 (2020: £2,448,996).

We currently have a defined benefit pension scheme and further details of the pension scheme are explained in note 8 of the financial statements. Although any valuation is only an indication at a particular point in time, we would highlight that the surplus has decreased from £304,000 to a deficit of £351,000 at 31 March 2021. In line with accounting requirements, Young Scot Enterprise's share of the overall scheme deficit at 31 March 2021 has been recognised in the financial statements.

This movement has arisen due to changes in the underlying assumptions used by the actuary to calculate the assets and liabilities particularly in relation to financial assumptions, which has led to the scheme showing a deficit. The Directors are satisfied that while the pension scheme fluctuates year on year, the full liability on the fund will not crystallise in the immediate short term but the Board is putting plans in place to mitigate this.



## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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The cash and bank balances at 31 March 2021 were £ 1,538,820 (2020: £898,554).

#### **INVESTMENT POWERS AND POLICY**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the Directors advise. The Directors, having regard to the liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest-bearing deposit account and seek to achieve a rate of interest which is the best available.

#### **RESERVES**

General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity. The general reserves are increased year on year with the aim to be at a level of at least three months operating expenditure to ensure that the company can effectively meet its charitable objectives. Unrestricted reserves before considering any surplus or deficit on the defined benefit pension scheme are £815,638 at 31 March 2021, which represents 4.7 months of operating expenditure. The Directors aim to maintain the target level in future years while also increasing general reserves above the target to allow us to mitigate our Lothian Pension Fund liability. Each year we propose to add to general reserves to support this requirement.

Designated reserves are funds that the company has set aside for a specific purpose, which will be utilised during future financial years. Young Scot currently has two designated reserve, created to allow for asset replacements and our pension liability, as detailed in Note 16 of the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in Note 18 of the Financial Statements. As at 31 March 2021, all restricted funds had been fully expended.

#### **KEY RISKS FOR THE ORGANISATION**

**Principal risks and uncertainties** The Directors confirm that the major risks to which the charity is exposed have been considered and reviewed. The Risk Management process includes consideration not only of financial risks but strategic, operational, environmental and regulatory ones.

##### **Risk Management Process**

- We hold an annual session with Young Scot Board and Senior Management to review the risks associated with the organisation.
- Finance and Audit Committee have delegated authority from the Young Scot Board to review and monitor our risks on a quarterly basis

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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- The Finance and Audit Committee provide a quarterly update to the Young Scot Board.
- A risk analysis has been used to identify the risks for the organisation.
- The level and significance of the charity's exposure to these risks has been outlined within a formal Risk Management Report, together with any systems which have been put in place and those which are planned to be implemented to reduce these risks to the Company.
- We have updated the risk register to reflect the impact of COVID-19

Overall, this work has identified that the following key risks could have a potential major impact on the charity, and we have put mitigation measures in place:

- Financial Sustainability
- Delivery and access to our products and services by young people
- Quality of products and services to young people
- Maintaining and recruiting staffing resources
- Maintaining and developing partnerships

The measures put in place to mitigate the above risks are as follows:

- Annual development of our Budget to Delivery Plan with monthly reviews of budget.
- Annual review of key policies and procedures in place to ensure we deliver accessible and high-quality products and services.
- A three year Our People Strategy to plan for current and future staffing requirements and managing existing staff effectively.
- Senior Management regularly communicates with new and existing partners to maintain and develop relationships.

### **PLANS FOR FUTURE PERIODS - FINANCIAL YEAR 2021/2022**

For the period April 2021-March 2022 our delivery commitments for each strategic objective have been reviewed. Using a blended delivery programme model to comply with COVID-19 restrictions and the phased lifting of these restrictions, we anticipate the following:

#### **INFORMED**

**Informed Objective One: Provide re-energised, multi-platform approach youth information supporting the information needs of young people in an agile, adaptable and inclusive way during key transitions in their lives**

- Enhancing youth information provision through collaborative information content made available on young.scot and digital/social platforms, connecting young people to the information, support, signposting and guidance they need.
- Developing new content approaches for the delivery of youth information, including podcast and video series.
- Supporting young people to co-create information content including establishing and supporting topic specific youth information panels.
- Establishing strategic information partnerships with quality-assured information partners and leading sector experts related to young people's key themes.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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**Informed Objective Two: Align youth information work to the ERYICA Youth Information Charter ensuring that young people have the right to access reliable information, and which constitutes a minimum quality standard measure for a coordinated approach to youth information.**

- Reviewing and auditing all Young Scot youth information, aligning to ERYICA Youth Information Charter and European Quality Label Accreditation.
- Taking part in and promoting ERYICA events and opportunities for young people and stakeholders.
- Developing youth-led misinformation approach.

**Informed Objective 3: Explore use of new and emerging technologies, including augmented reality and AI, to provide young people with relevant youth information**

- Developing of Live/ChatBot technology into enquiry answering and digital platform service.
- Exploring opportunities such as augmented reality to provide relevant youth information.

**#YSSchools Schools engagement: supporting the information needs of young people in an agile, adaptable and inclusive way during key transitions in their lives**

- Delivering #YSSchools accreditation programme with schools, ensuring that learners are aware of the services and information they are entitled to.
- Developing interactive digital learning resources linked to Young Scot information.
- Delivering Young Scot sessions on e-Sgoil digital education platform (including Gaelic provision).

**Young Scot Gaelic #YSGaelic: Provide re-energised, multi-platform approach youth information supporting the information needs of young people in an agile, adaptable and inclusive way during key transitions in their lives**

- Enhancing Gaelic youth information provision through collaborative information content on young.scot and digital/social platforms, and connecting young people to the information, support, signposting and guidance they need.
- Developing new content approaches for the delivery of youth information, keeping on top of platform trends.
- Attending events, workshops and working with YSSchools.
- Establishing strategic partnerships with organisations to create quality assured information for young people in Gaelic, including creating a partnership event.
- Exploring opportunities to include Gaelic information provision in strategic partnerships.

## **CONNECTED**

**Connected Objective 1: The evolution of the Young Scot NEC programme through a new smartphone Young Scot NEC wallet/app and regards membership platform**

- Working collaboratively with partners to promote and enhance the Young Scot NEC scheme and consider options to extend the Young Scot NEC programme functionality to smartphone wallet/app.
- Developing discounts that enhance range to match young people's interests and needs (informed by research).
- Developing discount opportunities that meet the needs of young people across communities.

- Developing communications planning and tools to raise young people's awareness and usage of discounts.
- Reviewing and evaluating Membership Services and ensure effective ongoing monitoring and evaluation to support continuous improvement of service provision to Members.
- Secure new Rewards partners throughout Scotland – targeting national networks to create positive pathways to opportunities of breadth and value.
- Working collaboratively with youth health panel and the Scottish Government Public Health policy leads to further develop and deliver health and physical activity related discounts and Rewards.

**Connected Objective 2: Continue to support and develop the Proof of Age Standards Scheme (PASS) and emerging Scottish Government online identity assurance programme to provide young people verified access to targeted age-restricted entitlements and services**

- Contributing to relevant steering groups related to PASS and attend key stakeholder engagement meetings/ events.
- Supporting the PASS Board on national promotion and issue PASS promotion packs to retailers/ licensees via Trading Standards/ Licensing Boards.
- Reviewing data related to percentage of cards issued to each age group by Local Authority.
- Carrying out audits of Local Authorities and getyournec.scot and ensure Local Authority and IS actions are completed.
- Maintaining and developing relationship with Digital Identity Scotland (DIS) and continue to explore the use of attributes from a Young Scot NEC to enable access to services.
- Supporting PASS exploratory and development work on Digital Proof of Age Standards in Scotland and engage in future development.

**Connected Objective 3: Develop new strategic and purpose-led partnerships to support the delivery of smart-enabled services for young people, connecting them to personalised opportunities and services based on geography, experience and circumstance**

- Leveraging the collective asset of the Young Scot NEC infrastructure and Young Scot Membership Services to support targeted intervention/prevention at a local and national level.

**European Youth Card Association (EYCA): Increased access to entitlements, opportunities and services**

- Maximising the benefit of membership to the EYCA, to support youth mobility within Scotland and across Europe.

**EMPOWERED**

**Empowered Objective 1: Deliver #YSHive programmes, to ensure young people continue to have high quality opportunities to design and influence policy and services and drive systems change in Scotland.**

- Supporting young people to play a significant role in Scotland's recovery from COVID-19, including as part of Scottish Government Education Recovery Youth Panel, Young Person's Guarantee supporting youth unemployment, and the development of youth facing information/messaging, ensuring strong, vibrant and effective youth engagement.
- Delivering nationally significant programmes secured, including Young Person's Guarantee Youth Leadership group and Young People's Forest.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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- Delivering #YSHive models previously undelivered.
- Conducting annual review of #YSHive.
- Delivering full suite of new tools and resources.
- Developing new communications plan for #YSHive – to boost recruitment with young people and to promote service to stakeholders.
- Developing stronger links with equalities organisations across Scotland to support engagement and inform Young Scot's approach.
- Reviewing recruitment and delivery approaches to increase suitability for young people from a range of backgrounds.
- Delivering EQIAs for all #YSHive projects.
- Participating in strategically important groups, programme boards, networks.
- Identifying opportunities for young people to feed directly into these groups.

#### **Empowered Objective 2: Develop the #YSHive Young Scot Young Systems Changers programme and enhanced volunteer offer.**

- Delivering second round of Volunteer Experience Review activity.
- Forming #YSHive Young Scot Young Systems Changers Co-design group.
- Delivering #YSHive Volunteer Trainingfest.
- Establishing #YSHive Young Scot Young Systems Changers delivery plan.
- Exploring and defining accreditation models.
- Identifying further funding routes for programme.
- Co-designing plan for pipeline model for #YSHive volunteers to transition towards being Young Scot Board Members.

#### **Empowered Objective 3: Embed new quality assurance, management/delivery systems; monitoring and evaluation for #YSHive.**

- Finalising Young Scot Monitoring and Evaluation Framework.
- Enhancing project monitoring and evaluation, including developing new young people facing tools.
- Finalising and embedding new #YSHive Data Dashboard.
- Delivering fortnightly #YSHive team monitoring and evaluation updates.

## **SUPPORT SERVICES**

**Localities** Our partnerships with Local Authorities are at the heart of everything we do. With our local partners, we provide innovative services to support young people during key transition periods in their lives.

#### **Localities Objective: Further develop and enhance relationships with all 32 Scottish Local Authorities to ensure that young people have the information they need to make the best use of Young Scot services.**

- Engaging (ongoing) with Local Authority contacts to support implementation of agreed Action Plans.
- Increasing strategic engagement with Local Authorities to progress strategic change and opportunities, smart services and formal partnership work.
- Supporting Local Authorities to deliver bespoke smart service solutions.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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- Supporting increase of Young Scot Membership growth, digital content and Membership Services.
- Supporting Participatory Budgeting (PB) votes using the Young Scot online voting platform in Local Authorities.
- Continue to develop how the Young Scot Online voting system can engage with national PB/Community engagement platform (Consul).

### **Sunday Mail Young Scot Awards: The public and stakeholders value the positive contributions that young people make to communities across Scotland.**

- Number of nominations received.
- Amount of media coverage received and Social media engagement.
- Number of 'event' views.
- Most significant change stories regarding impact of #YSAward participation (impact on nominees/winners/sponsors/stakeholders).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Young Scot Enterprise is a company limited by guarantee, registered in Scotland No SC202687 and is a recognised Scottish Charity, No SC029757. The company is governed by its Memorandum and Articles of Association.

### **Appointment of Directors**

The Directors of the company during the year are listed at page one. The Board composition seeks to reflect the varied interests of stakeholders and the environment in which Young Scot operates. Young Scot therefore appoints Directors based on the skills they can bring to the organisation whilst maintaining this cross representation of the Board. Directors are appointed and ratified by the Board following nomination by the officers of the company or other Directors. Young Scot has committed to having 25% of its Board represented by young people and one will be the vice chair. We are working on new recruitment process for 2021-2022 onwards that will see two pathways for recruitment to the Board for young people and other stakeholders.

### **Directors Induction and Training**

We currently issue new Board Members with an induction pack, which details the roles and responsibilities of a new Director. All new Directors meet the Chairman and Chief Executive and are taken through the role of Director and the main activities of the charity. Any new Directors are also assessed for any initial training needs prior to taking up the role. As part of our three year board self-assessment we continue to monitor any further training needs of the Board Members.

### **Organisational Structure**

Young Scot's Board of Directors, following advice from the Senior Management Team (SMT), decides on the strategic aims and objectives of the organisation.

The Senior Management Team then applies the strategic objectives and sets out the operational plan. The company continues to place a considerable emphasis on staff consultation on matters affecting them and on various factors affecting responsibilities, activities and performance of the company.

## **YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**

### **For the year ended 31 March 2021**

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#### **Key Management Personal and Remuneration**

In addition to the Board, the Directors consider the Chief Executive and the five directors who together comprise the Senior Management Team, as being the key management personnel in charge of directing and controlling the Charity and running and operating Young Scot.

All Board Directors give of their time freely and no Board Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. The pay of the senior staff is reviewed annually and is normally increased in accordance with the Job Family classification assigned to their role.

#### **Employment Policies**

Young Scot's employment policies provide equal opportunity, irrespective of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation (the "**Protected Characteristics**" under the Equality Act 2010).

It is the object of this policy that all applicants for employment and employees should have equal opportunities for employment and advancement based on their relevant merits and abilities alone.

As part of our commitment to inclusion and equality, we have redeveloped our Equality Scheme. The aim of this is to provide a coordinated framework of robust actions and meaningful considerations that will ensure the delivery of an inclusive and universal service and a fair place of work. The scheme endorses inclusive practice and aims to increase our knowledge of equalities ensuring it is right every time.

#### **Reference and administrative details**

These details, including Board Directors who served in the year, are set out on page 1.

#### **External Auditor**

A resolution to reappoint Chiene + Tait LLP as auditor will be put to the members at the Annual General Meeting on 29<sup>th</sup> June 2021.

#### **Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019) - (Charities SORP (FRS 102)).

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors (who are also Trustees of Young Scot Enterprise for the purposes of charity law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing the financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (FRS102);

**YOUNG SCOT ENTERPRISE | DIRECTORS' REPORT**  
**For the year ended 31 March 2021**

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- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate 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). The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

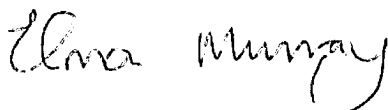
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of Information to Auditor**

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Signatory: Elizabeth Wallace OBE | Chair of Board**



**Date: 22 June 2021 Rosebery House, 9 Haymarket Terrace, Edinburgh, EH12 5EZ**



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF  
YOUNG SCOT ENTERPRISE (continued)  
For the year ended 31 March 2021**

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**Opinion on financial statements**

We have audited the financial statements of Young Scot Enterprise for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF  
YOUNG SCOT ENTERPRISE (continued)  
For the year ended 31 March 2021**

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**Other information (continued)**

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities set out on page 14 the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF  
YOUNG SCOT ENTERPRISE (continued)  
For the year ended 31 March 2021**

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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

*Malcolm A Beveridge*

**Malcolm Beveridge CA (Senior Statutory Auditor)**  
**For and on behalf of**  
**CHIENE + TAIT LLP**  
**Chartered Accountants and Statutory Auditor**  
**61 Dublin Street**  
**Edinburgh, EH3 6NL**

24 June 2021

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

**YOUNG SCOT ENTERPRISE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 March 2021**

	Note	Unrestricted General Fund £	Unrestricted Designated Fund £	Restricted Fund £	2021 Total Funds £	2020 Total Funds £
<b>Income from:</b>						
Charitable activities	4	2,319,653	-	924,891	3,244,544	2,577,132
Investments	3	693	-	-	693	2,522
<b>Total income</b>		<b>2,320,346</b>	<b>-</b>	<b>924,891</b>	<b>3,245,237</b>	<b>2,579,654</b>
<b>Expenditure on</b>						
Charitable activities	5	2,069,403		924,891	2,994,294	2,448,996
<b>Total expenditure</b>		<b>2,069,403</b>	<b>-</b>	<b>924,891</b>	<b>2,994,294</b>	<b>2,448,996</b>
<b>Net income</b>		<b>250,943</b>	<b>-</b>	<b>-</b>	<b>250,943</b>	<b>130,658</b>
Transfers between funds	15,16	(121,000)	121,000	-	-	-
		<b>129,943</b>	<b>121,000</b>	<b>-</b>	<b>250,943</b>	<b>130,658</b>
<b>Other recognised gains/(losses)</b>						
Actuarial (losses) on defined benefit pension schemes	8	(489,000)	-	-	(489,000)	(79,000)
<b>Net movement in funds</b>		<b>(359,057)</b>	<b>121,000</b>	<b>-</b>	<b>(238,057)</b>	<b>51,658</b>
<b>Funds reconciliation</b>						
Total funds at 1 April 2020	15,16,18	664,970	37,725	-	702,695	651,037
<b>Fund balance carried forward at 31st March 2021</b>	<b>15,16,18</b>	<b>305,913</b>	<b>158,725</b>	<b>-</b>	<b>464,638</b>	<b>702,695</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 21 – 35 form part of these financial statements.

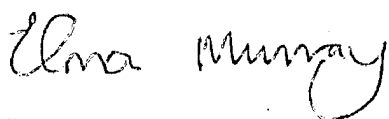
**YOUNG SCOT ENTERPRISE**  
**BALANCE SHEET**  
For the year ended 31 March 2021

	Note	Year ended 31-Mar 2021 £	Year ended 31-Mar 2020 £
<b>Fixed assets</b>			
Tangible assets	10	30,445	7,661
<b>Current assets</b>			
Debtors	11	267,260	423,209
Cash at bank and in hand		1,538,820	898,554
<b>Total current assets</b>		1,806,080	1,321,763
<b>Creditors</b>			
Amounts falling due within one year	12	(1,017,479)	(604,792)
<b>Net current assets</b>		788,601	716,971
<b>Total assets less current liabilities</b>		819,046	724,632
<b>Creditors: Amounts falling due after more than one year</b>	21	(3,408)	(21,937)
Defined benefit pension scheme liability	8	(351,000)	-
<b>Net assets</b>		464,638	702,695
<b>The funds of the charity</b>			
Unrestricted general fund	15	656,913	664,970
Unrestricted designated funds	16	158,725	37,725
Pension reserve	8,15	(351,000)	-
<b>Total charity funds</b>		464,638	702,695

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The audited financial statements on pages 21 to 35 were approved and authorised for issue by the board of directors on and signed on its behalf by:

**Mrs Elizabeth Wallace**  
**Director**



**Date: 22 June 2021**  
**Company No. SC202687**

The notes on pages 21 – 35 form part of these financial statements.

**YOUNG SCOT ENTERPRISE**
**STATEMENT of CASH FLOWS**
**For the year ending 31 March 2021**

	<b>Note</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
<b>Net cash provided by/(used in) operating activities</b>	22	676,198	(508,498)
<b>Cash flows from investing activities:</b>			
Interest income		693	2,522
Purchase of furniture, equipment, computer equipment and motor vehicles		(36,625)	-
<b>Net cash (used in)/provided by investing activities</b>		(35,932)	2,522
Change in cash and cash equivalents in the year		640,266	(505,976)
Cash and cash equivalents brought forward		898,554	1,404,530
<b>Cash and cash equivalents carried forward</b>		<b>1,538,820</b>	<b>898,554</b>

**Analysis of Changes in Net Debt**

	<b>2020 £</b>	<b>Cash flows £</b>	<b>2021 £</b>
Cash and cash equivalents	898,554	640,266	1,538,820
Total net debt	898,554	640,266	1,538,820

The notes on pages 21 – 35 form part of these financial statements.

## **YOUNG SCOT ENTERPRISE**

### **NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

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#### **1. Company information**

Young Scot Enterprise is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC202687. The member's liability is limited to £1 on the winding up of the company. The registered office and principal place of business is Rosebery House, Haymarket Terrace, Edinburgh, EH12 5EZ. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

#### **2. Accounting Policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019 - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

Young Scot Enterprise meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

##### **Going concern**

The directors consider that there are no material uncertainties about the Company's ability to continue as a going concern. The most significant area of uncertainty is in respect of future funding of activities. The directors have prepared budgets and forecasts for 2021/22 based upon reasonable assumptions regarding the level of future funding. These forecasts indicate that the Company has sufficient resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

##### **Significant judgements and estimation uncertainty**

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for carrying amounts of tangible assets.

## **YOUNG SCOT ENTERPRISE**

### **NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

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#### **2. Accounting Policies (Continued)**

##### **Income**

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy. Income is deferred when the charity does not have entitlement to these resources until the goods and services have been provided or relevant milestones have not been met.

##### **Donations, legacies and similar income**

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received, and the amount can be measured reliably.

Donated facilities are included at the value to the charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers as amounts cannot be reliably quantified.

##### **Investment income**

Interest income is included in the year in which it is receivable.

##### **Grants receivable**

Grants received are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Grants of a revenue nature are credited to the SoFA in the period to which they relate. Grant income with specific restrictions on utilisation in terms of timing or service provision are deferred in accordance with the terms provided by the donor as appropriate.

##### **Government grants**

Government grants on capital expenditure are recognised in the SoFA and transferred to a restricted reserve and subsequently released annually over the expected life of the relevant asset by equal instalments.

##### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.



## **YOUNG SCOT ENTERPRISE**

### **NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

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## **2. Accounting Policies (Continued)**

### **Expenditure (Continued)**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and payroll costs which support the charitable activities.

Within support costs are governance costs which include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular project are allocated directly, others are apportioned on an appropriate basis i.e. estimated project usage.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the charity.

### **Irrecoverable VAT**

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

### **Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised at cost over £500. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, on a straight-line basis over their expected useful economic lives as follows:

Computer equipment	over 3 years
Furniture and Office equipment	over 5 years
Vehicles	over 3 years

### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

### **Cash at bank and in hand**

Cash at bank and cash 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.

### **Creditors**

Creditors are recognised where the company 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**  
**For the year ending 31 March 2021**

**2. Accounting Policies (Continued)**

**Financial instruments**

The charitable company 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.

**Recognition of liabilities**

Young Scot endeavours to make provisions for any potential liabilities that the organisation may be open to and to incorporate these into the company's financial statements as and when they are deemed to be tangible.

**Pension costs and defined benefit scheme surplus or deficit**

The charity participates in a defined benefit scheme and a stakeholder scheme. Pension costs for the defined benefit scheme are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. These costs are accounted for over the estimated working lives of the employees. Scheme deficits are recognised in full as liabilities. As the charity is not able to recover any asset through reduced contributions or refunds, in accordance with the Charities SORP (FRS 102), no asset is recognised on the balance sheet. The charity operates two stakeholder schemes, one with Friends Life and the second a contractual/auto enrolment scheme with Peoples Pension, which is available to all eligible employees. The costs for these schemes for the year are included within outgoing resources in the year in which they are incurred.

**Fund accounting**

General funds: are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity which have not been designated for any other purpose.

Designated funds: comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in note 16 to the financial statements.

Restricted funds: are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 18 to the financial statements.

	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
<b>3 Investment Income</b>	<b>£</b>	<b>£</b>
Bank interest receivable	693	2,522
<b>Total Investment Income</b>	<b>693</b>	<b>2,522</b>

All of the company's investment income arises from an interest bearing deposit account and relates to unrestricted funds in 2021 and 2020.

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**  
**For the year ending 31 March 2021**

<b>4 Charitable activities</b>	<b>Unrestricted Income £</b>	<b>Restricted Income £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
Grants	975,000	997,478	1,972,478	1,572,041
Opening deferred income Grants	-	160,029	160,029	224,786
Closing deferred income Grants	-	(232,616)	(232,616)	(160,029)
<b>Total Grant Income</b>	<b>975,000</b>	<b>924,891</b>	<b>1,899,891</b>	<b>1,636,798</b>
Income generated from services provided	1,618,667	-	1,618,667	871,914
Opening deferred income from Services Provided	311,733	-	311,733	380,153
Closing deferred income from Services Provided	(585,747)	-	(585,747)	(311,733)
<b>Total Income From Services Provided</b>	<b>1,344,653</b>	<b>-</b>	<b>1,344,653</b>	<b>940,334</b>
<b>Total Income</b>	<b>2,319,653</b>	<b>924,891</b>	<b>3,244,544</b>	<b>2,577,132</b>

In 2021, of the income from Grants of £1,899,891 (2020: £1,636,798), £975,000 was unrestricted (2020: £975,000) and £924,891 was restricted (2020: £661,798) The income from Services Provided was all unrestricted in both 2021 and 2020.

Details of government grants received are shown in note 18.

<b>5 Charitable expenditure</b>	<b>Unrestricted Products &amp; Services £</b>	<b>Restricted Products &amp; Services £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
Printing and design expenses	15,655	-	15,655	8,821
Postage and courier costs	3,889	175	4,064	8,214
Conference fees	15,293	50,927	66,220	235,440
Fees and commissions	310,627	139,023	449,650	241,142
General expenses	85,426	159	85,585	65,381
Marketing expenses	131,339	499,403	630,742	135,369
Wages and salaries (note 7)	1,209,967	205,717	1,415,684	1,482,410
Other staff costs (note 7)	54,660	-	54,660	63,648
Stationery and telephone	24,992	-	24,992	25,823
Subscriptions	4,926	-	4,926	715
Financial costs	103,393	-	103,393	65,274
Establishment costs	100,393	29,487	129,880	103,955
Governance costs (see note 6)	8,843	-	8,843	12,804
	<b>2,069,403</b>	<b>924,891</b>	<b>2,994,294</b>	<b>2,448,996</b>

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**5 Charitable expenditure (Continued)**

In 2021, of the expenditure on charitable activities of £2,994,294 (2020: £2,448,996), £2,069,403 (2020: £1,787,198) was expenditure from unrestricted funds and £924,891 (2020: £661,789) was expenditure from restricted funds.

Charitable expenditure has also been summarised below on the basis of costs applicable to each key activity in line with the charity's "Impacts" as set out in the Directors' Report:

<b>Impact activity</b>	<b>Year ended 31-Mar 2021 £</b>	<b>Year ended 31-Mar 2020 £</b>
Overheads and Support Services	637,055	729,046
Activate -Impact Hub One -Cross Platform Digital	568,365	325,602
Connect - Impact Hub Two - Smart Tech	1,012,134	357,307
Empower - Impact Hub Three -Participation and Codesign	776,740	1,037,041
<b>Total</b>	<b>2,994,294</b>	<b>2,448,996</b>

<b>6 Governance costs</b>	<b>Year ended 31st March 2021 £</b>	<b>Year ended 31st March 2020 £</b>
External auditor's remuneration	5,150	4,805
Internal auditor's remuneration	3,473	2,801
Board expenses	220	5,198
	<b>8,843</b>	<b>12,804</b>

<b>7 Analysis of staff costs and remuneration of key management personnel</b>	<b>Year ended 31st March 2021 £</b>	<b>Year ended 31st March 2020 £</b>
Wages and salaries	1,157,742	1,200,766
Social security costs	101,875	103,512
Other staff costs	54,660	63,648
Pension costs	285,067	252,132
Pension costs adjustments (see note 8)	(129,000)	(74,000)
	<b>1,470,344</b>	<b>1,546,058</b>

Average number of employees for the year:	<b>No.</b>	<b>No.</b>
Employees on basis of headcount	<b>39</b>	<b>43</b>

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

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**7 Analysis of staff costs and remuneration of key management personnel (Continued)**

During the year there was one employee whose emoluments (excluding pension contributions) were between £70,000 and £79,999 (2020: one employee). This member of staff accrues benefits under a defined benefit pension scheme. No Director received remuneration from the charity during the year.

Included within wages and salaries was £22,843 (2020: £Nil) relating to termination payments made in connection with a staff settlement.

The key management personnel of the charity comprise the Directors and Senior Management Team. The total remuneration and employee benefits of the key management personnel of the charity during the year were £447,907 (2020: £429,922).

**8. Pension scheme**

Young Scot Enterprise is a member of Lothian Pension Fund, an approved scheme providing final salary benefits. The total contribution made for the year ended 31 March 2021 was £173,905 (2020: £151,710) which represented employers' contributions only, and contributions outstanding at the year-end amounted to £Nil (2020: £Nil).

The charity pays into a contractual/auto enrolment scheme with Peoples Pension, which is available to all eligible employees. Employer contributions during the year amounting to £111,162 (2020: £98,107) Contributions outstanding at the year-end amounted to £Nil (2020: £Nil).

**FRS 102**

The performance of the final salary scheme has been reported under FRS 102 as amended. The following information is based upon a full actuarial valuation of the Fund at 31 March 2020 updated to 31 March 2021 by a qualified independent actuary. The current employer contribution rates for this year were 50.5% to March 2021 and then 54.3% to March 2022 for employers and tiered based contribution on actual salary for employees.

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**8 Pension scheme (Continued)**

Employee benefit obligations

The amounts relating to the assets and liabilities of the scheme are as follows:

			<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
	<b>Assets</b>	<b>Obligations</b>	<b>Net liability</b>	<b>Net liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fair value of employer assets	2,848		2,848	2,521
Present value of funded liabilities		2,544	2,544	(2,521)
<b>Opening Position as at 31 March 2020</b>	<b>2,848</b>	<b>2,544</b>	<b>304</b>	<b>-</b>
Service cost				
Current service cost	-	57	(57)	(78)
Past service cost (including curtailments)	-	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>57</b>	<b>(57)</b>	<b>(78)</b>
Net Interest				
Interest income on plan assets	71	-	71	70
Interest cost on defined benefit obligation	-	62	(62)	(65)
<b>Total net interest</b>	<b>71</b>	<b>62</b>	<b>9</b>	<b>5</b>
<b>Total defined benefit cost recognised in income and expenditure</b>	<b>71</b>	<b>119</b>	<b>(48)</b>	<b>(73)</b>
Cashflows				
Plan participants contributions	13	13	-	-
Employer contributions	186	-	186	152
Benefits paid	(11)	(11)	-	-
<b>Expected closing position</b>	<b>3,107</b>	<b>2,665</b>	<b>442</b>	<b>79</b>
Re-measurements (actuarial losses)				
Changes in demographic assumptions	-	(135)	135	-
Changes in financial assumptions	-	900	(900)	124
Other experience	20	39	(19)	6
Return on assets excluding amounts included in net interest	(9)	-	(9)	(34)
Less amount not recognised in balance sheet	-	-	-	(175)
<b>Total re-measurements recognised in Statement of Financial Activities</b>	<b>11</b>	<b>804</b>	<b>(793)</b>	<b>(79)</b>
Fair value of employer assets	3,118		3,118	2,544
Present value of funded liabilities		3,469	3,469	(2,544)
<b>Closing position as at 31 March 2021</b>	<b>3,118</b>	<b>3,469</b>	<b>(351)</b>	<b>-</b>

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**8. Pension scheme (Continued)**

As the scheme is part of Lothian Pension Fund, which is a multi-employer scheme, the Directors do not consider that they have significant control over the refunds of contributions or reduction in future contributions where a surplus exists. Accordingly, Young Scot Enterprise's share of the overall scheme asset has not been recognised.

The company expects to contribute £193,704 to its defined benefit pension plan in 2021/2022

The amounts recognised in the statement of financial activities are as follows:

	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
	<b>£</b>	<b>£</b>
Current service cost	57,000	78,000
Interest on obligations	62,000	65,000
Interest income on employer assets	(71,000)	(70,000)
<b>Total</b>	<b>48,000</b>	<b>73,000</b>

	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
	<b>£</b>	<b>£</b>
Defined benefit obligations – actuarial (losses)/gains	(804,000)	130,000
Fair value of plan assets – returns	11,000	(34,000)
Actuarial (losses)/gains	(793,000)	96,000
Opening asset not recognised	304,000	129,000
Closing asset not recognised	-	(304,000)
Recognised actuarial (losses)/gains	(489,000)	(79,000)

	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
	<b>%</b>	<b>%</b>
Equities	-	-
Bonds	96	96
Property	-	-
Cash	4	4
	<b>100</b>	<b>100</b>

**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**

	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
Pension increase rate	2.70%	1.85%
Future salary increases	2.63%	2.00%
Discount rate at 31 March	2.05%	2.40%

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

9	Net income for the year	Year ended 31st March 2021	Year ended 31st March 2020		
	The net income for the year is stated after charging/(crediting):	£	£		
	Depreciation	13,841	17,551		
	Audit fee – external audit	5,150	4,805		
	Operating lease payments	103,206	85,010		
10	Fixed Assets				
		Furniture & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
	Cost				
	At 1 April 2020	34,797	164,956	21,105	220,858
	Additions	-	36,625	-	36,625
	Disposal	-	-	-	-
	At 31 March 2021	34,797	201,581	21,105	257,483
	Depreciation				
	At 1 April 2020	34,797	157,295	21,105	213,197
	Charge for the year	-	13,841	-	13,841
	Disposal	-	-	-	-
	At 31 March 2021	34,797	171,136	21,105	227,039
	Net Book Value				
	At 31 March 2021	-	30,445	-	30,445
	At 31 March 2020	-	7,661	-	7,661
11	Debtors	Year ended 31st March 2021	Year ended 31st March 2020		
		£	£		
	Trade debtors	165,575	293,466		
	Other debtors and prepayments	101,685	129,743		
		267,260	423,209		
12	Creditors – due within one year	Year ended 31st March 2021	Year ended 31st March 2020		
		£	£		
	Trade creditors	76,392	71,110		
	Other creditors	-	-		
	Accruals	47,825	13,044		
	Deferred income (see note 4)	818,363	471,762		
	Other taxes and social security costs	74,899	48,876		
		1,017,479	604,792		



**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**13. Taxation**

The company has obtained charitable status for taxation purposes and the directors are of the opinion that no provision is required for taxation.

**14 Financial Instruments**

The carrying amount for each category of financial instrument is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	165,575	293,466
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	76,392	71,110

<b>15</b>	<b>Unrestricted Fund</b>	<b>At 1 April 2020</b>	<b>Net incoming resources</b>	<b>Transfers (to) / from designated funds</b>	<b>At 31 March 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	General Funds	664,970	112,943	(121,000)	656,913
	Pension Reserves	-	(351,000)	-	(351,000)
		<u>664,970</u>	<u>(238,057)</u>	<u>(121,000)</u>	<u>305,913</u>

	<b>Unrestricted Fund</b>	<b>At 1 April 2019</b>	<b>Net incoming resources</b>	<b>Transfers (to) / from designated funds</b>	<b>At 31 March 2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	General Funds	597,163	51,658	16,149	664,970
	Pension Reserves	-	-	-	-
		<u>597,163</u>	<u>51,658</u>	<u>16,149</u>	<u>664,970</u>

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**  
**For the year ending 31 March 2021**

16	Designated Funds	At 1 April 2020	Transfers between funds	Transfers (to)/from general funds	At 31 March 2021
		£	£	£	£
	Asset replacements	37,725	-	22,000	59,725
	Pension Reserve	-	-	99,000	99,000
		<u>37,725</u>	<u>-</u>	<u>121,000</u>	<u>158,725</u>

	Designated Funds	At 31 March 2019	Transfers between funds	Transfers (to)/from general funds	At 31 March 2020
		£	£	£	£
	Asset replacements	53,874	-	(16,149)	37,725
		<u>53,874</u>	<u>-</u>	<u>(16,149)</u>	<u>37,725</u>

We now have two designated reserves. The Asset Replacement Fund £59,725 has been created to provide against the expected cost of replacing the information technology of the organisation. We have created our three-year ICT strategy, and this will be funded from this reserve. The second designated reserve is for our Lothian Pension Fund Liability £99,000 and is part of our strategy around mitigating this.

#### **17. Related Party Transactions**

Certain Directors and the Chief Executive are also on the board of, or hold senior positions with, other organisations with whom the charity shares limited amounts of costs, or to whom services are provided. These transactions are all accounted for at standard commercial rates and there is not considered to be any common control.

During the year the charity paid Brodies LLP £31,302 (2020: £22,374) for legal advice at normal commercial rates. The balance outstanding at the year end amounted to £2,340 (2020: £Nil). The Company Secretary is a partner at Brodies LLP but was not involved in the provision of these services.

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**18 Restricted Funds**

	<b>At 1 April 2020</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers to/ from general</b>	<b>At 31 March 2021</b>
	£	£	£	£	£
Creative Scotland	-	74,395	(74,395)	-	-
Wellness Fund	-	85,767	(85,767)	-	-
Scottish Government Attainment Project	-	99,163	(99,163)	-	-
Scottish Government Young Carers Project	-	568,110	(568,110)	-	-
Scottish Government Police Scotland National Partnership	-	51,244	(51,244)	-	-
Young People Forest	-	46,212	(46,212)	-	-
Restricted Funds	-	924,891	(924,891)	-	-

	<b>At 1 April 2019</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers to/ from general</b>	<b>At 31 March 2020</b>
	£	£	£	£	£
Creative Scotland	-	59,475	(59,475)	-	-
PASS Development Project	-	60,000	(60,000)	-	-
Scottish Government Attainment Project	-	133,826	(133,826)	-	-
Scottish Government Developing Young Workforce	-	85,013	(85,013)	-	-
SNH Grant	-	23,638	(23,638)	-	-
Scottish Government Young Carers Project	-	179,978	(179,978)	-	-
Scottish Government Police Scotland National Partnership	-	119,868	(119,868)	-	-
Restricted Funds	-	661,798	(661,798)	-	-

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**

**For the year ending 31 March 2021**

**18 Restricted Funds**

**Creative Scotland Time to Shine** - To create an advisory panel to review and promote the Time to shine strategy and to create a Nurturing Talent Grant Fund to give out to young people.

**Wellness Fund** -To support young people, aged 12-18, who experience overlapping inequalities, discrimination and additional barriers, to facilitate access to digital services, signpost to information and advice and improve wellbeing by providing accessible and sustainable access to mobile data for the young people across Scotland who need it most

**Scottish Government Attainment Project** – This project will look at the use of smart-technology to add entitlements to the Young Scot NEC Card to support young people in the key Scottish Government identified attainment areas.

**Scottish Government Young Carers Project** -We have been developing a targeted Young Carers enhanced entitlement package linked to Young Scot National Entitlement Card and Young Scot Rewards which was been delivered for a second year and with additional funding due to COVID-19.

**Scottish Government Police Scotland National Partnership** - Funding to continue the support for the Police Scotland Volunteer Programme.

**Young Peoples Forest** – This project is funded by Scottish Enterprise, Wood Foundation, Corra Foundation, Pears Foundation and Nature Scot to create a forest as a legacy to COP26 in November 2021.

19	Analysis of net assets between funds	Fixed assets	Net Current	Total
			assets less long term liabilities	
	2021	£	£	£
	Unrestricted General Funds	11,419	294,494	305,913
	Designated Funds	19,026	148,325	158,725
		30,445	442,819	464,638

**YOUNG SCOT ENTERPRISE**  
**NOTES ON FINANCIAL STATEMENTS**  
For the year ending 31 March 2021

<b>20</b>	<b>Total future minimum lease payments under non-cancellable operating leases</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31st March 2021</b>	<b>31st March 2020</b>
		<b>£</b>	<b>£</b>
	Within 1 year	118,635	84,983
	Within 2 to 5 years	269,234	26,352
	After more than 5 years	16,438	-
		<u>404,307</u>	<u>111,335</u>
<b>21</b>	<b>Creditors:</b> amounts falling due after more than one year	<b>Year ended</b>	<b>Year ended</b>
		<b>31st March 2021</b>	<b>31st March 2020</b>
		<b>£</b>	<b>£</b>
	Lease incentive accounting accrual	3,408	21,937
<b>22</b>	<b>Reconciliation of net income to cash flow from operating activities</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31st March 2021</b>	<b>31st March 2020</b>
		<b>£</b>	<b>£</b>
	Net income for the year	250,943	130,658
	<b>Adjustments for:</b>		
	Defined benefit pension scheme adjustments	(138,000)	(79,000)
	Depreciation charges	13,841	17,551
	Gain on sale of furniture, equipment, computer equipment and motor vehicles	-	-
	Deduct interest income shown in investing activities	(693)	(2,522)
	Decrease/(increase) in debtors	155,949	(149,937)
	Increase/(decrease) in creditors	394,158	(425,248)
	<b>Net cash (used in)/provided by operating activities</b>	<u>676,198</u>	<u>(508,498)</u>
<b>23</b>	<b>Going concern – COVID-19</b>		

The impact of the pandemic on the general economy and working environment continues as it moves into the recovery phase. The potential effect on the finances and operational activities of the charity has been assessed by management and the board, and steps have been taken to mitigate these risks as set out in more detail in the Directors' Report. At this stage significant elements of funding forecast in respect of 2021-22 has been confirmed, but uncertainty remains in terms of grant and other funding in periods after this. The Directors are satisfied that confirmed funding and existing reserves, as well as mitigation taken to date, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.