

Charity Registration No. SC039605 (Scotland)

Company Registration No. SC342436 (Scotland)

**INSPIRING SCOTLAND  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2019**

**COMPANIES HOUSE  
EDINBURGH**

**28 AUG 2019**

**FRONT DESK**

**WEDNESDAY**



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28/08/2019  
COMPANIES HOUSE

# INSPIRING SCOTLAND

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B Allison A Dunlop J Farmer G Le Sueur J McGrane D Milne P Skinner
<b>Secretary</b>	S Mooney
<b>Charity number (Scotland)</b>	SC039605
<b>Company number</b>	SC342436
<b>Registered office</b>	Level 1 Riverside House 502 Gorgie Road Edinburgh EH11 3AF
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
<b>Bankers</b>	Bank of Scotland plc Commercial Banking PO Box 2000 BX2 1LB  Santander UK plc The Capital Building 12-13 St Andrew Square Edinburgh EH2 2AF
<b>Solicitors</b>	Lindsays WS, Solicitors Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE  CMS Cameron McKenna Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

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# **INSPIRING SCOTLAND**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Board of Trustees**

A. Sinclair Dunlop, Chairman  
Barbara Allison  
Gary Le Sueur  
Dona Milne  
John Farmer  
Joe McGrane  
David Shaw (resigned 30<sup>th</sup> June 2018)  
Paula Skinner (appointed 1<sup>st</sup> April 2019)

### **Audit Committee**

Joe McGrane (Chairman)  
Gary Le Sueur  
Richard Sweetman (external consultant)  
John Farmer  
David Shaw (resigned 30<sup>th</sup> June 2018)

### **Executive Management Team**

Celia Tennant	Chief Executive
Helen Chambers	Deputy Chief Executive
Sharon Mooney	Finance Director (appointed 7 <sup>th</sup> January 2019)
Julia Abel	Head of Funds
Liz Dean-Stevens	Head of Investor Relations and Fundraising

# INSPIRING SCOTLAND

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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The trustees, who are also directors for the purposes of the Companies Act 2006, present their annual report incorporating the strategic report and financial statements for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in January 2015.

#### Objectives

*"For a Scotland without poverty or disadvantage"*

Our mission is to change people's lives for the better. To bring together people, their communities, charities and public bodies to develop solutions to some of the deepest social problems. We help essential charities become extraordinary charities, allowing them to change the lives of the most vulnerable and transform our society.

We achieve this by funding and supporting organisations who can have the greatest social impact. Inspiring Scotland pioneered the venture philanthropy model in Scotland. This is an approach to charitable giving that applies principles such as long-term funding and development support to the third sector which means that charities are more resilient, effective, and can reach and support more people as a result

Through our model of thematic funds, managed and supported by a dedicated staff team, we add value to any funds invested, and;

- Strengthen the organisations and communities that tackle social issues so that they can better address those issues and help more people.
- Inform and influence government, local authorities and public bodies so that they can better understand and react to social issues faced by Scotland's people.
- Foster innovation and encourage new ideas to tackle social issues in more effective ways.
- Support, develop and connect the people who are at the forefront of tackling social issues so that they can learn from one another and have the skills and resilience to take their organisations forward and support more people.
- Make it possible for philanthropists, government, public bodies and charities to spend money more effectively in the fight against poverty and disadvantage.

The funds and our way of working all contribute to our goal of creating and sustaining positive social impact.

#### Activities

The main activities undertaken in the period to achieve our objectives were as follows:

(1) Continuing investment and development in funds designed, developed and operated by Inspiring Scotland. These funds comprise the 14:19 Fund, Link Up, Thrive and intandem.

(2) Partnering with Scottish Government to support the operation and development of key funds. The funds supported are Cashback for Communities ("Cashback"), Autism, Learning Disabilities, Support in The Right Direction (SiRD) and Survivor Support Innovation and Improvement (Survivors) fund.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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(3) Further developing an advisory support service to provide consultancy services to selected charities, not within existing funds or programmes, to build their capacity and resilience so they can better help those experiencing disadvantage.

(4) Researching possible themes and funding options for new funds and new approaches to solving Scotland's entrenched social problems and transforming lives. In particular, Inspiring Scotland was focused on developing Our Future Now the successor fund to 14:19, which launched with funding of £1.9m from Scottish Government in April 2019.

#### Achievements and performance

During the period, Inspiring Scotland operated and managed nine funds (2018 – nine) and continued to deliver the 2017-22 Corporate Plan. The key Corporate Plan activities delivered in the year were the development of Our Future Now the successor fund to 14:19 and further development of our advisory services proposition.

The completion of 14:19, the first ever 10 year fund was a major success and source of real pride, exceeding social impact goals and making a difference thanks to long term funding and the comprehensive support offered by our philanthropy model.

#### Measurement of Success

Key indicators of success vary across the funds and programmes and include; the numbers of young people achieving positive destinations with respect to education, employment or training for the 14:19 Fund; the number of individuals who develop the confidence and capacity to seek solutions to their own problems for Link Up; the degree of increased access to, and take up of, free play provision for Thrive; and, improvements in health and wellbeing, and social and community engagement for intandem.

Key data on each fund is shown in the following table.

Fund output data April 2018 - March 2019				
Fund	14:19	LinkUp	intandem	Thrive (Play)
Fund Scale (1)	£3.2m	£735k	£750k	£1.3m
Charities supported (2)	20	9	13	25
People supported	8,484	3,188	143	7,942
Fund Aims	Young People will; re-engage with school; undertake a Further or Higher Education course; or secure and retain employment	Help people living in the most deprived areas build relationships and increase engagement within their community.	To deliver an effective National Mentoring Programme for Children looked after at Home  Support Scotland's most	Establish outdoor play as mainstream across society  Increase opportunities to benefit from outdoor active

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## TRUSTEES' REPORT

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	Portfolio ventures are resilient and better able to meet the needs of young people  The sector has better understanding of what works	Work together to end generations of disadvantage and stop the cycle of poverty	vulnerable young people by helping them build a consistent, trusting relationship with an adult role model	play and tackle long term health and wellbeing issues related to deprivation and inactivity
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- 1) Fund Scale includes the total funds received from all sources and refers to the total amount of the original fund which may overlap the current financial year.
- 2) The number of charities supported includes charities supported financially and those which continue to be supported but are not funded in the current financial year.

During the year several surveys and evaluations were conducted to assess our impact within each fund and to learn how we can provide greater support to each individual charity. The results were insightful, rewarding and helpful in planning how to direct resources in the future. In addition, 14:19 Fund published an Annual Report that showcased the achievements over the 10 year period of the fund.

Blake Stevenson external evaluation of intandem found:

*100% of mentors felt they had formed a strong and positive relationship with their mentee  
64% of children and young people mentored reported having more friends.*

Within the funds where Inspiring Scotland operates in a delivery partner role, common evaluation themes include the effectiveness of building capacity and resilience of the individual charities within the funds, identifying and disseminating key lessons and best practice across the portfolio, building and developing monitoring and evaluation competencies and developing leadership capability within the sector.

	Fund output data April 2018 - March 2019				
Fund	Cashback	SiRD	Learning Disabilities	Autism	Survivors
Fund Scale (1)	£6m	£3.2m	£0.5m	£175k	£1.3m
Charities supported (2)	17	52	6	38	25
People supported	43,992	8,000	2,150	6,000	2,150
Fund Aims	Raise attainment, ambition, and aspirations of disadvantaged	Empower people to be equal partners in their care and support	Support charities to develop and improve financial sustainability, governance and	Strengthen the portfolio and build capacity across the	Support the victims of childhood abuse, ensuring they

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## TRUSTEES' REPORT

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	young people and deliver enhanced outcomes. Utilise the proceeds of crime and invest into young people at risk	decisions and to participate fully in all aspects of life. To build delivery of quality local independent support	strategic direction to enable them to support people with learning disabilities lead more meaningful lives	sector to improve the outcomes of people with autism and their families	have access to integrated care, support and services that demonstrate a reduction in the impact of abuse
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- 1) Fund Scale includes the total funds received from all sources and refers to the total amount of the original fund which may overlap the current financial year.
- 2) The number of charities supported includes charities supported financially and those which continue to be supported but are not funded in the current financial year.

Cashback also recently celebrated its 10-year anniversary, the fund providing invaluable support over that time to its partners.

*"We look at everything with an outcome focus now – we don't think about the project in terms of the activities that we deliver - much more about impact on young people and on communities. It changes the way you look at programmes - it has influenced how we design and deliver programmes"*  
(CashBack partner)

*"We are in a much better place as an organisation, much more robust"* (CashBack Partner)

The overall success of Inspiring Scotland is measured by how effectively the funds deliver their social impact. A strong proxy for this is the renewal success on existing funds and conversion rates on potential new funds. During the year, Inspiring Scotland successfully renewed six funds (2018 – six funds). No funds were lost during the year.

### Pro Bono

Inspiring Scotland's pro bono network of over 400 professional volunteers continues to play a vital role in complementing and enhancing the tailored development support offered to charities within our funds and also the wider sector.

During the year 2,433 hours (2018 - 2,975 hours) of support was provided including, volunteer trustees, individual mentoring, business planning, financial, legal and marketing. Inspiring Scotland also benefitted from significant pro bono assistance during the year, including the free use of rooms for pro bono training events and seminars, HR support, mentoring and development of staff and support with developing a fundraising pipeline.

### Future Plans

The trustees have the following key strategic priorities for the coming year, as set out in the 2017-22 Corporate Plan:

- (1) The continuation of investment, by way of grants and capacity building support, in the funds designed, developed and operated by Inspiring Scotland.
- (2) Partnering with Scottish Government to support the management of key funds.

# **INSPIRING SCOTLAND**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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- (3) To expand our advisory service to support selected charities, not within existing funds or programmes, to build their capacity and resilience.
- (4) To seek new fund opportunities and develop thought leadership in addressing complex issues in Scotland and sharing learning.

In 2019, we are delighted to launch the successor to 14:19 - Our Future Now to help those young people who need the most intensive support. Partnering with a portfolio of charities committed to working with those experiencing the sharpest end of marginalisation, deprivation and struggle.

Fulfilment of the strategic aims will depend on renewal of donor pledges and grant awards each year, and on Inspiring Scotland raising additional income along the way. The general fundraising climate remains challenging, particularly with respect to funding core costs.

#### **Financial review**

Total income in the period was £10,381,985 (2018: £7,550,827) and was derived predominantly from grants and donations. The increase in turnover of £2.8m, (37.5%) was a result of increased funding to the Thrive portfolio (£0.7m), Survivors (£0.6m), Autism (£0.4m), Support in The Right Direction (£1.4m) and Learning Disabilities (£0.5m). The principal sources of funding in the period were government grants, charitable trusts and foundations grants, local authorities and donations from individuals and corporates.

Charitable expenditure in the period was £9,995,398 (2018: £7,928,607). This increase in costs was a result of an additional £1.9m of grants disbursed due to the growth in scale of the funds in the year.

Net incoming resources for the period were £386,587 (2018: outgoing resources of £377,780). This inflow was a result of the increase in scale of some funds and efficient use of resource.

A cumulative amount of £1,429,470 (2018: £1,258,490) was carried forward at 31 March 2019 as restricted funds, represented by the net assets of the funds as disclosed in note 19. This will be expended over the next year.

A total of £701,154 (2018: £485,547) Unrestricted funds is also carried forward with any surplus over required reserves used to fund further research and innovation across the organisation.

#### **Principal Risks and Uncertainties**

The trustees have examined the strategic, business and operational risks to which Inspiring Scotland is exposed. The trustees are satisfied that adequate systems and procedures have been established to identify and respond to such risks, as far as reasonably possible, after assessing their likelihood of occurrence, potential impact and the existing controls in place.

The Trustees and Senior leadership have established our risk appetite, this identifies potential risk events that may affect Inspiring Scotland and seeks to manage those risks.

The Audit Committee reviews the Risk Register at each quarterly meeting, and any updates and controls put in place by management. Risk Management is a standing agenda item for all Board and Audit Committee meetings. In addition, a Risks Early Warning Indicator report is provided monthly to the Board and Executive Management Team.



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## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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Some of the key risks currently being managed and mitigated include; dependency on one, or a handful of, key funders; development of sufficient long-term funding to support core expenditure; adequacy of liquid reserves; the impact of an independence referendum and the impact of Brexit.

Top 3 Risks currently are:

Risk	Mitigating Actions
Over dependency on one funder	Continually evaluate added value and quality to ensure funders expectations met or exceeded. Focus on ongoing dialogue with key SG budget holders, decision makers and key influencers
Liquid reserves insufficient to continue as a going concern	Annual 24 month budget produced with key focus on unrestricted cash balances. Cash position presented to Board and any variances to actual investigated monthly SMT and Board focused on developing new opportunities.
Failure to develop sufficient long-term funding for core expenditure	24 month Unrestricted cashflow projections produced annually and updated regularly. Fundraising activities key focus for SMT and Board and reported and discussed regularly. Pricing model developed and being continually refined Continue to raise awareness of IS value across the sector

#### Reserves Policy

Inspiring Scotland's reserves policy is appropriate to its scale and the risks faced by the organisation. The level of reserves considered appropriate is the higher of three months' operating costs or the level of reserves required to protect the organisation against known or foreseen risks, as identified in the risk register. The balance held as unrestricted funds at 31 March 2019 was £0.7m with the cost of 3 months operations estimated at £0.6m which is within the target level.

The level of reserves is monitored and reported to the Board on a monthly basis.

#### Principal Funding Sources

Inspiring Scotland is wholly dependent on the continued support of external funders to finance the costs of its operations and grant-giving activities. The trustees seek to secure this support, in the case of each individual donor or grantor, on as long-term a basis as possible.

Given the predominantly voluntary nature of Inspiring Scotland's income base, an inherent conditionality attaches to future income projections. Accordingly, the trustees require that annual expenditure budgets, including those for grant-making activities, are subject to adjustment in the light of rolling assessment of income prospects throughout the year.

#### Investment Policy

Surplus cash is held in no notice deposits. Gifts of quoted shares and securities are disposed of as soon as practicable after transfer of ownership to Inspiring Scotland has been completed. The

# **INSPIRING SCOTLAND**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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trustees will continue to review their investment policy in the light of fundraising progress over the coming year.

#### **Going Concern Review**

In considering the appropriateness of the going concern assumption, the trustees have assessed income prospects against projected operating expenditure, and the associated cash flow profile, through to March 2021.

The cash flow projections on which the trustees have based their assessment show that budgeted operating expenditure through to June 2020 is covered by general cash balances carried forward at 31 March 2019 and general-purpose income remittances due to be received in the period to June 2020. The anticipated timing of receipts is also sufficient to maintain liquidity throughout the period.

#### **Structure, Governance and Management**

##### **Governing Document**

Inspiring Scotland was incorporated on 6 May 2008 as a company limited by guarantee (Registered Company Number SC342436) and registered as a Scottish charity with the Office of the Scottish Charity Regulator ("OSCR") on 23 May 2008 (Registered Charity Number SC039605). It is governed by Articles of Association (adopted 15 December 2017) which replace the Articles of Association (adopted 4 July 2014).

##### **Appointment of Trustees**

The Board of Trustees is responsible for the appointment of additional Trustees from time to time and will in all future appointments follow the Scottish Governance Code for The Third Sector regarding diversity in all its forms.

The role of the Board includes strategic planning, financial and legal monitoring over a wide range of activities, and authorship and custodian of Inspiring Scotland's mission and values

The composition of the board aims to reflect the aspirations and activities of Inspiring Scotland. A range of skills, experience and personal qualities has been drawn up against which prospective candidates are measured. In addition, Inspiring Scotland has signed up to the Partnership for Change, working towards a 50/50 gender balance by 2020 whilst acknowledging Board composition should reflect diversity in all forms not only gender.

The number of trustees, who were also directors and members, at 31 March 2019 was seven (2018 – seven). The maximum number of trustees at any time is ten. None of the Trustees receive any remuneration for their role with the Board.

##### **Trustee Induction and Training**

Induction and training of trustees is provided on the history, aims, governance arrangements, regulatory framework and key policies of the organisation. Trustees are also offered opportunities to accompany staff on field visits to funded charities or attend portfolio days and actively attend when possible. Regular events presented by external advisors are held to ensure that Trustees are aware of new regulation, best practice and current issues relating to good governance within the sector.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### Organisation

The organisation is governed by a board of trustees who are also directors within the meaning of the Companies Act. Matters of policy and ultimate responsibility for the financial solvency of the organisation are reserved to the board. The board meets at least four times a year. Day-to-day operational decisions are delegated to the Executive Management Team, led by a Chief Executive.

The names of those serving as trustees during the period are listed within reference and administrative details. The Articles of Association permit initial board appointments for a term of up to three years which may be renewed for a further period of up to three years. A third and fourth consecutive term of up to three years is permitted in exceptional circumstances. The maximum number of trustees at any time is ten.

Executive Management Team pay and total remuneration package is set by the board, with salary benchmarking advice being provided, as required, by recruitment experts on a pro bono basis.

The board is supported by an Audit Committee and a 14:19 Fund Advisory Group. Members of the Audit Committee are appointed by the Board and are independent. Members of the Advisory Group are volunteers with skills and experience appropriate to the 14:19 Fund, which tackles youth unemployment. The advisory group has no formal governance role but provides expert advice to the board.

The trustees seek to encourage the development of collaborative and joint learning approaches to the delivery of Inspiring Scotland's charitable purposes. The various stakeholders who are invested in Inspiring Scotland's funds and programmes all share this objective in common.

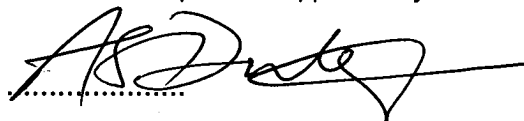
### Auditors

RSM UK Audit LLP successfully completed a competitive tender process in December 2017 and were re-appointed as auditors for a 3 year term.

### Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees report was approved by the Board of Trustees



**A Dunlop**

Trustee

Dated 15/08/19

# **INSPIRING SCOTLAND**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2019**

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The trustees, who are also the directors of Inspiring Scotland for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING SCOTLAND

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### Opinion

We have audited the financial statements of Inspiring Scotland (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Basis for opinion

We 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.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING SCOTLAND (CONTINUED)

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

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

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

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

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

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.

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

*RSM UK Audit LLP*

Janet Hamblin CA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

*27 August 2019*

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RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# INSPIRING SCOTLAND

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations and legacies	3	2,056,663	6,408,189	8,464,852	7,118,744
Charitable activities	4	367,104	1,550,029	1,917,133	431,613
Investments	5	-	-	-	470
<b>Total income</b>		<b>2,423,767</b>	<b>7,958,218</b>	<b>10,381,985</b>	<b>7,550,827</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	36,057	141,310	177,367	178,808
Charitable activities	7	419,848	9,398,183	9,818,031	7,749,799
<b>Total resources expended</b>		<b>455,905</b>	<b>9,539,493</b>	<b>9,995,398</b>	<b>7,928,607</b>
<b>Net income/(expenditure)</b>		<b>1,967,862</b>	<b>(1,581,275)</b>	<b>386,587</b>	<b>(377,780)</b>
Gross transfers between funds	17	(1,752,255)	1,752,255	-	-
<b>Net movement in funds</b>		<b>215,607</b>	<b>170,980</b>	<b>386,587</b>	<b>(377,780)</b>
Total funds brought forward		485,547	1,258,490	1,744,037	2,121,817
<b>Total funds carried forward</b>		<b>701,154</b>	<b>1,429,470</b>	<b>2,130,624</b>	<b>1,744,037</b>

The statement of financial activities includes all gains and losses recognised in the year.

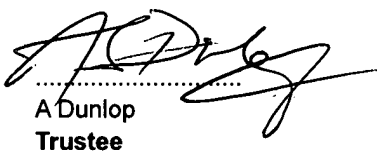
All income and expenditure derive from continuing activities.

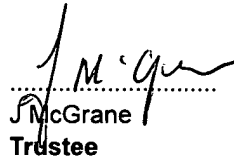
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**INSPIRING SCOTLAND****BALANCE SHEET****AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	12		17,934		25,074
Tangible assets	13		18,390		18,196
			<u>36,324</u>		<u>43,270</u>
<b>Current assets</b>					
Debtors	14	49,741		522,336	
Cash at bank and in hand		2,252,742		1,335,341	
		<u>2,302,483</u>		<u>1,857,677</u>	
<b>Creditors: amounts falling due within one year</b>	15	(208,183)		(156,910)	
Net current assets			<u>2,094,300</u>		<u>1,700,767</u>
<b>Total assets less current liabilities</b>			<u><u>2,130,624</u></u>		<u><u>1,744,037</u></u>
<b>Income funds</b>					
Restricted funds	17		1,429,470		1,258,490
<u>Unrestricted funds</u>					
Designated funds	18	40,000		40,000	
General unrestricted funds		<u>661,154</u>		<u>445,547</u>	
			<u>701,154</u>		<u>485,547</u>
			<u><u>2,130,624</u></u>		<u><u>1,744,037</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15 August 2019

  
A Dunlop  
Trustee

  
J McGrane  
Trustee



# INSPIRING SCOTLAND

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	20		935,628		(452,571)
<b>Investing activities</b>					
Purchase of intangible assets		-		(15,353)	
Purchase of tangible fixed assets		(18,227)		(9,337)	
Interest received		-		470	
<b>Net cash used in investing activities</b>			(18,227)		(24,220)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			917,401		(476,791)
Cash and cash equivalents at beginning of year			1,335,341		1,812,132
<b>Cash and cash equivalents at end of year</b>			<u>2,252,742</u>		<u>1,335,341</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Charity information

Inspiring Scotland is a private company limited by guarantee incorporated in Scotland (company registration number SC342436). The registered office is Level 1 Riverside House, 502 Gorgie Road, Edinburgh, EH11 3AF.

The principal objectives of Inspiring Scotland are to promote such charitable purposes, within the meaning of section 7 of the Charities and Trustee Investment (Scotland) Act 2005, 'as the trustees shall think fit'. The charitable purposes under which the organisation is registered with OSCR pertain to the advancement of citizenship and community development.

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### Going concern

The financial statements are prepared on a going concern basis, which the trustees consider to be appropriate in the light of their review of future income and expenditure prospects, and liquidity, as more fully described in the Trustees' Report.

#### Charitable funds

Unrestricted funds represent resources available for general use, at the discretion of the trustees, within the charitable purposes of the organisation.

Designated funds are funds earmarked for a particular future project or commitment. Designation has an administrative purpose only and does not legally restrict the Trustees' discretion in how to apply the unrestricted funds earmarked.

Restricted funds represent resources that are to be used strictly for purposes specified by donors and grant-givers.

Transfers to restricted funds reflect unrestricted funds available to cover support costs attributable to restricted fund activities.

#### Incoming resources

Donations and other voluntary income, including restricted grants received from grant-making trusts and foundations, are recognised when entitlement to the income has been established, their receipt is probable, and the expenditure of this income has been planned. Where expenditure is expected, but has not been planned, the income is deferred until formal spending plans have been finalised.

Assistance in the form of donated services provided directly to Inspiring Scotland is recognised in the Statement of Financial Activities where the benefit to Inspiring Scotland is material, reasonably quantifiable and measurable. The value placed on the services is an estimate of the price of the service on the open market. A corresponding cost is reflected in resources expended. Donated services arranged by Inspiring Scotland through the *pro bono* network and provided directly to our charities are not recognised in Inspiring Scotland's accounts, but may be reflected in the beneficiary charity's accounts, if appropriate.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (Continued)

Grants received, including Government grants, which are not conditional on delivering certain levels or volumes of a service are treated as income from donations and legacies.

Income from service contracts is recognised on a proportion of the time spent in providing the service as a proportion of the latest estimated total time to be spent to fulfil the contract.

Bank interest is recognised in the period in which it is earned and allocated to the fund on which the interest was earned.

Where it has been expressly agreed with a donor or grantor, an earmarking is made from their donation or grant for application to general support costs. The corresponding amount is taken to general funds and treated as voluntary income, with the balance being treated as restricted income earned.

#### **Resources expended**

The costs of generating funds, charitable expenditure and support costs are charged to the activity to which the expenditure relates. Where they are not directly allocated, support costs, including shared services and property costs, are apportioned in line with staff time deployed in an activity.

Charitable activities consist of grant-making which is structured around a range of social impact funds and seeks to build organisational capacity and resilience through the provision of direct financial investment and in-kind support in the form of business consultancy, mentoring and related support costs.

All grants payable are subject to continuous monitoring and assessment against a range of performance measures, with formal reviews carried out prior to release of funding. Accordingly, grant expenditure is recognised in the period in which approval is confirmed and the payment is communicated to the charity, following the completion of a performance review.

The cost of assistance in the form of donated services provided directly to Inspiring Scotland is charged to the activity to which the expenditure relates and is recognised in the Statement of Financial Activities where the value to Inspiring Scotland is material, reasonably quantifiable and measurable. The value placed on the services is an estimate of the price of the service on the open market. A corresponding income is reflected in incoming resources.

#### **Intangible fixed assets other than goodwill**

Inspiring Scotland capitalises software and website development expenditure as an intangible asset when it is able to demonstrate the technical feasibility, intention to complete the development and its ability to use the asset; how the intangible asset will generate probable future economic benefits; the availability of adequate resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	over 3 years, on a straight-line basis
Websites	over 5 years, on a straight-line basis

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets**

Tangible fixed assets with a cost of £500 (previously £200) or more are capitalised and included in the balance sheet at cost less accumulated depreciation.

Assets transferred by way of gift are capitalised at their book value at the date of transfer and depreciated over their estimated remaining useful life on a straight-line basis.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold property	over the remaining lease term, on a straight-line basis
Fixtures and fittings	over 5-10 years, in line with estimated remaining useful life, on a straight line basis
IT equipment	over 3 years, on a straight-line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **Taxation**

Inspiring Scotland is registered with OSCR as a charity for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 and is entitled under section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish charity.

Inspiring Scotland is entitled to exemption from corporate tax under part II of the Corporate Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 in respect of charitable activities.

Irrecoverable VAT is included in resources expended within the expenditure to which it relates.

#### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

Inspiring Scotland operates a defined contribution group personal pension plan for its employees. The assets of the scheme are held separately from those of Inspiring Scotland. Contributions due in the period are included in resources expended.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to Inspiring Scotland. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

### 2 Critical accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The key area of judgement for Inspiring Scotland relates to the allocation of staff time of staff not directly attributable to the individual funds and programmes operated by Inspiring Scotland. The allocation of staff time affects both the staff costs allocated to the individual funds and the proportion of general expenses allocated to individual funds.

Staff costs that are not directly attributable to the individual funds and programmes operated by Inspiring Scotland are apportioned to activities on an appropriate time-cost basis.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and gifts	2,056,663	6,408,189	8,464,852	7,118,744
<b>For the year ended 31 March 2018</b>	<b>1,690,240</b>	<b>5,428,504</b>		<b>7,118,744</b>
<b>Donations and gifts</b>				
Scottish Government grants	1,817,471	5,164,316	6,981,787	5,502,367
Trusts and foundations	81,010	808,874	889,884	1,071,000
Individual giving	18,181	159,500	177,681	294,197
Corporate donors	27,500	-	27,500	44,180
Local authority grants	112,501	275,499	388,000	207,000
	<b>2,056,663</b>	<b>6,408,189</b>	<b>8,464,852</b>	<b>7,118,744</b>

Income from corporate donors includes £27,500 (2018: £24,180) of pro bono donations-in-kind from various companies provided to Inspiring Scotland. Pro bono support in the year consisted of the provision of rooms and catering, staff training, consultancy support, fundraising support and photography.

We would like to recognise the support of and express our thanks to all donors in the financial year, including:

- Paul Hamlyn Foundation
- The Castansa Trust
- The Thistledown Trust
- The Tulip Trust
- JTH Charitable Trust
- The Souter Family Foundation
- The National Lottery Community Fund
- The Hub Community Fund
- Richard Burns
- Leslie Robb
- The Moffat Charitable Trust
- Sir Tom Farmer Foundation
- The Ross Girls Charitable Trust
- Gaelle Ciriego and Mark Logan
- The Milne Family Foundation
- A Sinclair Dunlop
- James Wood Bequest Fund

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 4 Charitable activities

	2019 £	2018 £
Scottish Government	1,785,190	225,420
Local authorities	84,616	197,579
Other income	47,327	8,614
	<u>1,917,133</u>	<u>431,613</u>
Analysis by fund		
Unrestricted funds	367,104	234,034
Restricted funds	1,550,029	197,579
	<u>1,917,133</u>	<u>431,613</u>

Income from charitable activities relates to the delivery partner role for the Cashback for Communities programme. Other income includes work with charities and further education institutions.

### 5 Investments

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	-	-	-	470
<b>For the year ended 31 March 2018</b>	<u>146</u>	<u>324</u>		<u>470</u>

### 6 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Fundraising and publicity</u>				
Investor reporting & awareness raising	262	1,055	1,317	7,991
Support costs (see note 9)	35,795	140,255	176,050	170,817
	<u>36,057</u>	<u>141,310</u>	<u>177,367</u>	<u>178,808</u>
<b>For the year ended 31 March 2018</b>				
Fundraising and publicity	<u>27,282</u>	<u>151,526</u>		<u>178,808</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 7 Charitable activities

	2019 £	2018 £
Capacity building	268,688	340,531
Grant funding of activities (see note 8)	7,422,905	5,542,247
Share of support costs (see note 9)	1,706,947	1,509,425
Share of governance costs (see note 9)	419,491	357,596
	<u>9,818,031</u>	<u>7,749,799</u>
<b>Analysis by fund</b>		
Unrestricted funds	419,848	357,596
Restricted funds	9,398,183	7,392,203
	<u>9,818,031</u>	<u>7,749,799</u>

Included within expenditure on costs of raising funds and expenditure on charitable activities is £27,500 (2018: £24,180) of pro bono services provided by corporate supporters that is recognised as a benefit-in-kind. Pro bono support provided in the year consisted of the provision of rooms and catering, staff training, consultancy support, fundraising support and photography.

### 8 Grants payable

	2019 £	2018 £
Grants to institutions:		
14:19 Fund	2,869,357	3,982,442
Link Up	554,821	493,103
Go2Play	548,924	425,481
intandem	482,817	641,221
Support in The Right Direction (SiRD)	1,464,520	-
Survivors fund	587,069	-
Learning disabilities fund	481,354	-
Building Brighter Futures Fund (BBFF)	414,043	-
Autism	20,000	-
	<u>7,422,905</u>	<u>5,542,247</u>

Grants to all ventures are made on a conditional basis, subject to on-going performance reviews and confirmation of satisfactory progress against pre-agreed objectives and outcomes at quarterly intervals. See note 21 for further detail.



# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Grants payable - 14:19 Fund	2019 £	2018 £
Aberdeen Foyer	90,000	120,000
Action for Children	531,000	642,500
Callandar Youth Project Trust	91,000	120,501
Calman Trust	157,500	145,713
East Ayrshire Carers Centre	108,750	166,320
Enable Scotland	105,000	161,816
Family Action in Rogerfield & Easterhouse	246,882	255,000
Get Hooked on Fishing	22,875	30,533
Hot Chocolate Trust	22,500	31,500
Impact Arts Projects	90,000	180,000
Move On	65,000	170,000
Murton Wildlife Trust for Environmental Education	67,500	34,187
Rural & Urban Training Scheme - RUTS	210,000	287,500
Showcase the Street	31,800	49,873
Station House Media Unit	131,250	115,000
Street League	472,500	774,500
Tomorrow's People	110,800	233,750
Tullochan Trust	112,500	168,750
The Venture Trust	90,000	144,999
Yipworld	112,500	150,000
	<u>2,869,357</u>	<u>3,982,442</u>

Inspiring Scotland's funding of 14:19 Fund ventures is conditional on achievement of annual fund-raising targets. The continuation of Inspiring Scotland's financial support for the 14:19 Fund is predicated on additional funding being generated by each venture from local authority partners, and other voluntary income sources, to create a pool of investment in youth employment, skills and training activities across the 14:19 Fund portfolio over a projected ten year period.

Grants payable - Link Up	2019 £	2018 £
Bethany Christian Trust	59,000	55,712
North Glasgow Housing Association	48,941	47,430
Muirhouse Youth Development Group	60,500	57,856
Kirkcaldy YMCA	62,618	62,639
Crossroads Youth & Community Association	73,973	70,403
Hawthill Community Association	-	9,165
The Ayrshire Community Trust - Saltcoats	62,347	44,043
The Ayrshire Community Trust - Kilmarnock	61,936	49,720
Volunteer Centre Dundee	82,006	57,835
Thistle Foundation	43,500	38,300
	<u>554,821</u>	<u>493,103</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Home Start East Ayrshire closed and was replaced as host by The Ayrshire Community Trust - Kilmarnock on the 1st April 2017. Link Up activities in Alloa ended on 31 July 2017, resulting in Hawkhill Community Association leaving this portfolio.

Grants payable - Play Portfolio	2019 £	2018 £
Aberdeen Play Forum	7,060	8,105
Broxburn Family Support	-	16,948
Canongate Youth	4,741	3,442
Healthy Valleys	7,000	8,616
North Edinburgh Arts	9,066	9,390
Parent Action for Safe Play	18,265	7,334
Stepping Stones for Families	9,374	8,350
The Zone	12,500	6,318
YMCA Stranraer	12,513	6,609
PEEK	57,521	58,770
AGILE	27,626	33,175
CALA	18,087	10,872
FARE	37,620	40,755
Smart Play Network	41,250	30,300
Jeely Piece Club	111,031	112,642
3D Drumchapel	55,722	51,592
Baltic Street Adventure Playground	60,094	12,263
Simply Play	12,672	-
The Yard	8,909	-
Concrete Garden	7,966	-
Barra Children's Centre	6,776	-
Maryhill Mobile Children's Services	4,820	-
Y Sort It	12,969	-
Circle	1,520	-
Cumbernauld YMCA	1,406	-
Play Midlothian	2,416	-
	<u>548,924</u>	<u>425,481</u>

The Play portfolio consists of three separate Play funds, being 1) Scottish Government's Go2Play, 2) Scottish Government Outdoor Nursery Provision, 3) Glasgow City Council's Active Play Fund and 4) Glasgow City Council's Outdoor Childcare Fund. Charities may be supported by more than one fund. During the year 9 additional charities were paid one payment and one charity left the portfolio.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Grants payable - intandem	2019 £	2018 £
Aberlour Child Care Trust	34,820	42,365
Action for Children	36,332	65,320
Bernardo's	39,592	43,775
Befriend a Child	34,320	44,410
Children 1st	53,939	62,165
Community Volunteers Enabling You	32,569	42,805
Kirkcaldy YMCA	38,827	56,011
Move On	27,108	37,539
Quarriers	39,600	39,966
The Volunteer Centre (Centre for Volunteering Community Action and Employment Initiatives Ltd)	43,102	51,967
Y Sort It	21,133	52,441
YMCA Edinburgh	35,234	47,656
Y People (YMCA Glasgow)	46,241	54,801
	<u>482,817</u>	<u>641,221</u>

The intandem grants payable were in line with funding received during the year for each of the charities.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Grants payable - SiRD	2019 £	2018 £
Advocacy Orkney	19,250	-
Advocacy Service Aberdeen	29,964	-
Avocacy Western Isles	54,191	-
Ayrshire Independent Living Network	41,620	-
Circles Network Inverclyde	52,719	-
Clydebank Shopmobility & West Dunbartonshire CVS	42,423	-
Community Brokerage Network	84,210	-
Compass Brain Injury Specialists	52,537	-
Disabled Person's Housing Service	28,900	-
Dundee Carers Centre	79,182	-
East Ayrshire Carers Centre	35,834	-
Enable	48,021	-
Encompass (BDPA)	30,465	-
Equal Say	40,077	-
Glasgow Centre for Inclusive Living	118,952	-
Independent Living Association SDS	25,741	-
Lothian Centre for Inclusive Living	74,995	-
Outside the Box & Care and Well-being	33,060	-
Perth and Kinross Association for Voluntary Service	19,555	-
SDS Forum East Renfrewshire	65,920	-
The Advisory Group (TAG)	31,201	-
The Advocacy Project	41,105	-
Thistle Health and Well-being	48,569	-
VOCAL	47,254	-
Carr Gomm (Community Contacts)	113,165	-
MECOPP	37,722	-
Voluntary Action North Lanarkshire	47,219	-
VP Shetland Community	3,000	-
VP - Braemar Care	7,200	-
VP - Shetland Community Connections	50,815	-
VP - Cornerstone	59,654	-
	<u>1,464,520</u>	<u>-</u>

The Support in The Right Direction (SiRD) fund commenced in 2018-19 with the first payments in October 2018.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Grants payable - Survivors Fund	2019 £	2018 £
Addaction	15,026	-
Argyll & Bute Rape	30,180	-
Break the Silence	18,835	-
Cornerstone	35,153	-
Glasgow & Clyde Rape Crisis	12,096	-
Glasgow Council on Alcohol	40,598	-
Health in Mind	45,369	-
Hear Me	17,106	-
Izzy's Promise	22,291	-
LinkLiving	39,424	-
Mind Mosaic Counselling	43,395	-
Pain Association Scotland	2,896	-
Safe Space	6,865	-
SAY Women	16,944	-
Speak Out Scotland	20,162	-
SSCHAIR	12,780	-
Stop it Now! Scotland	47,461	-
Survivors Unite (Children 1st)	6,545	-
Talk Now	38,032	-
The Moira Anderson Foundation	35,917	-
Thriving Survivors	39,987	-
Wellbeing Scotland	27,113	-
Western Isles Rape Crisis	12,894	-
	<u>587,069</u>	<u>-</u>

The Survivors Innovation and Development fund commenced 2018-19 with the first payments made in October 2018.

Grants payable - Learning Disabilities Fund	2019 £	2018 £
PAMIS	145,000	-
LDAS	26,250	-
People First	109,362	-
The Usual Place	57,300	-
VIA Scotland	77,500	-
MusicALL	50,000	-
Agile	10,355	-
FARE	5,587	-
	<u>481,354</u>	<u>-</u>

The Learning Disabilities fund commenced in 2018-19 with the first payments to charities made in April 2018.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable (Continued)

Grants payable - Building Brighter Futures Fund (BBFF)	2019 £	2018 £
Grassmarket Community Project	29,942	-
Aberdeen Foyer	51,464	-
PEEK	60,000	-
Station House Media Until	24,430	-
FARE	50,000	-
Move On	34,442	-
Inspired Community Enterprise	28,431	-
Kirkcaldy YMCA	55,284	-
Callander Youth Project Trust	35,276	-
CEIS Ayrshire	16,343	-
The Usual Place	28,431	-
	<u>414,043</u>	<u>-</u>

The Building Brighter Futures Fund (BBFF) commenced in 2018-2019 with the first payments in July 2018.

Grants payable - Autism	2019 £	2018 £
Tailor Ed Foundation	20,000	-
	<u>20,000</u>	<u>-</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 9 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Staff costs	1,605,246	363,368	1,968,614	1,748,852
Depreciation	18,093	2,376	20,469	15,134
Investor reporting & awareness raising	68,848	3,376	72,224	50,865
Office services, premises & technology	190,810	25,459	216,269	203,320
Audit fees	-	11,760	11,760	11,304
Legal, insurance and professional fees	-	8,112	8,112	8,074
Other fees to auditor	-	5,040	5,040	289
	<u>1,882,997</u>	<u>419,491</u>	<u>2,302,488</u>	<u>2,037,838</u>
Analysed between				
Fundraising	176,050	-	176,050	170,817
Charitable activities	<u>1,706,947</u>	<u>419,491</u>	<u>2,126,438</u>	<u>1,867,021</u>
	<u>1,882,997</u>	<u>419,491</u>	<u>2,302,488</u>	<u>2,037,838</u>

Support staff costs relate to administration and management personnel whose time is apportioned to activities on an attributable time-cost basis. Performance Advisor staff engaged mainly or wholly on the funds and programmes activities and building portfolio charities resilience and capacity, as set out in the trustees' report, are regarded as support staff for the purposes of these accounts.

Where not directly allocated, depreciation is apportioned in line with head count deployed in an activity.

Investor reporting & awareness raising costs comprise marketing and communication costs that support and complement specific fund raising activities.

Office services, premises & technology costs comprise IT, leased property and general office costs. Where these cannot be directly allocated, they are apportioned in line with head count deployed in each activity.

Governance costs includes payments to the auditors and their associates of £11,760 (2018: £11,304) in respect of statutory audit fees and £5,040 (2018: £nil) for other financial services.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2018: none).

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 11 Employees

#### Number of employees

The average monthly number employees during the year was 35 (2018: 30). The average monthly number of employees calculated on a full-time equivalent basis was as follows:

	2019 Number	2018 Number
Performance advisory & capacity building:		
- 14:19 Fund	2	2
- Link Up	2	2
- Play Portfolio	3	3
- intandem	2	2
- Learning Disabilities	1	-
- Cashback	2	2
- SDS	2	2
- Autism	2	2
- Survivors	1	1
Support staff, including executive management team & fund-raising	11	9
	<u>28</u>	<u>25</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries	1,518,624	1,356,368
Social security costs	159,937	141,970
Other pension costs	115,370	101,995
	<u>1,793,931</u>	<u>1,600,333</u>

Inspiring Scotland operates a defined contribution group personal pension scheme into which it makes regular contributions on behalf of individual employees.

Short term or day rate contracting arrangements were in place with two (2018: four) individuals during the period. The cost associated with contractors arising in the period is £16,876 (2018: £22,732). These staff members are counted in the average number of employees disclosed above.

Contributions of £115,370 (2018: £101,995) were made in the year into employer group pension scheme arrangements on behalf of the 35 (2018: 27) members of staff who were members of the scheme during the year. Accrued pension contributions at the year end amounted to £14,538 (2018: £12,399) and are included in accruals and deferred income (see note 15). Contributions of £28,298 (2018: £29,047) were made in the year into employer group pension scheme arrangements on behalf of four (2018: four) higher paid employees.



# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 11 Employees (Continued)

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£60,000-£69,999	2	1
£70,000-£79,999	-	2
£80,000-£89,999	1	-
£100,000-£109,999	1	1
	<u>          </u>	<u>          </u>

### 12 Intangible fixed assets

	Websites £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	30,819
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 April 2018	5,745
Amortisation charged for the year	7,140
	<u>          </u>
At 31 March 2019	12,885
	<u>          </u>
<b>Carrying amount</b>	
At 31 March 2019	17,934
	<u>          </u>
At 31 March 2018	25,074
	<u>          </u>

Amortisation charged in the year is included within depreciation. See note 9.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 13 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	IT equipment £	Total £
<b>Cost</b>				
At 1 April 2018	5,142	7,697	70,974	83,813
Additions	-	-	18,227	18,227
Disposals	-	(276)	(14,527)	(14,803)
At 31 March 2019	5,142	7,421	74,674	87,237
<b>Depreciation and impairment</b>				
At 1 April 2018	5,142	7,440	53,035	65,617
Depreciation charged in the year	-	128	13,201	13,329
Eliminated in respect of disposals	-	(147)	(9,952)	(10,099)
At 31 March 2019	5,142	7,421	56,284	68,847
<b>Carrying amount</b>				
At 31 March 2019	-	-	18,390	18,390
At 31 March 2018	-	2,326	15,870	18,196

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	7,343	-
Other debtors	2,110	4,957
Prepayments and accrued income	40,288	517,379
	49,741	522,336

### 15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	25,451	24,050
Other taxation and social security	82,761	56,051
Other creditors	7,611	1,346
Accruals and deferred income	92,360	75,463
	208,183	156,910

### 16 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,360	4,957

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Financial instruments	2019	2018 (Continued)
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	93,350	44,332

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
14:19 Fund	742,230	4,060,264	(4,584,761)	310,476	528,209
Link Up	259,002	511,084	(771,391)	223,540	222,235
Go2Play	398,881	372,059	(781,334)	262,000	251,606
intandem	238,116	535,000	(843,602)	178,926	108,440
Learning Disabilities	-	108,000	(26,890)	26,890	108,000
Autism	-	40,000	(153,936)	153,936	40,000
Cashback	-	-	(167,521)	167,521	-
SDS	-	-	(144,303)	144,303	-
Survivors Scotland	-	-	(69,991)	69,991	-
	<u>1,638,229</u>	<u>5,626,407</u>	<u>(7,543,729)</u>	<u>1,537,583</u>	<u>1,258,490</u>

	Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£	£
14:19 Fund	528,209	2,579,356	(3,409,949)	317,705	15,321
Link Up	222,235	502,288	(812,088)	237,689	150,124
Go2Play	251,606	769,442	(947,657)	318,026	391,417
intandem	108,440	535,000	(706,583)	182,672	119,529
Learning Disabilities	108,000	547,568	(548,694)	67,273	174,147
Autism	40,000	449,932	(202,338)	182,338	469,932
Cashback	-	-	(185,049)	185,049	-
SiRD (Support in The Right Direction)	-	1,464,520	(1,615,094)	150,574	-
Survivors Scotland	-	587,069	(697,998)	110,929	-
BBFF (Building Brighter Futures Fund)	-	414,043	(414,043)	-	-
OFN (Our Future Now)	-	109,000	-	-	109,000
	<u>1,258,490</u>	<u>7,958,218</u>	<u>(9,539,493)</u>	<u>1,752,255</u>	<u>1,429,470</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 17 Restricted funds (Continued)

Agreements with certain grant-makers and donors in relation to their funding of the 14:19 Fund specify that up to 10% of their annual pledge may be retained by Inspiring Scotland to fund a dedicated team of Performance Advisors and a contribution to the costs of the core support functions.

A transfer from unrestricted funds of £1,752,255 (2018: £1,537,583) was made in the period in respect of direct operational and support costs attributable to fund and programme activity.

As at 31 March 2019, restricted balances comprised of the 14:19 Fund, Link Up, Go2Play, intandem, Learning Disabilities, Autism, and OFN funds.

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Balance at 1 April 2018 £	Movement in funds		Balance at 31 March 2019 £
	Incoming resources £	Resources expended £	
40,000	-	-	40,000
40,000	-	-	40,000

The property fund represents amounts set aside for future premises maintenance expenditure and to meet terminal dilapidations in February 2020, should the lease not be renewed. The amount designated for this purpose is reviewed on a regular basis.

### 19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Intangible fixed assets	17,934	-	17,934
Tangible assets	5,394	12,996	18,390
Current assets/(liabilities)	677,826	1,416,474	2,094,300
	701,154	1,429,470	2,130,624

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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<b>20</b>	<b>Cash generated from operations</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
	Surplus/(deficit) for the year	386,587	(377,780)
	Adjustments for:		
	Investment income recognised in statement of financial activities	-	(470)
	Loss on disposal of tangible fixed assets	4,704	-
	Amortisation and impairment of intangible assets	7,140	5,186
	Depreciation and impairment of tangible fixed assets	13,329	9,948
	Movements in working capital:		
	Decrease/(increase) in debtors	472,595	(105,694)
	Increase in creditors	51,273	16,239
	<b>Cash generated from/(absorbed by) operations</b>	<b>935,628</b>	<b>(452,571)</b>

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# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 21 Financial commitments, guarantees and contingent liabilities

#### 14:19 Fund

The trustees had a mandate to commit up to £51m of grants to 14:19 Fund ventures by December 2018. After accounting for grant payments made during the period and committed subsequent to the balance sheet date, the amount remaining to be expended is £0.01m (2018: £1.6m) with £0.1m of funds available for expenditure on the successor fund - Our Future Now.

#### GO2PLAY

The trustees have an obligation to the funders of the Play portfolio to commit £1.02m (2018: £0.65m), receivable in 2018-19, to the activities within the Play programmes. The grants are to be expended on a mix of direct cash investment in a portfolio of Play charities, sector capacity building and performance advisory services, administering the Play Strategy Implementation fund and other support costs. Some £0.39m (2018: £0.25m) of grant funds remained in hand at the balance sheet date.

#### Link Up

The trustees have an obligation to the Scottish Government and various other donors to commit £0.73m (2018: £0.73m) to Link Up. This will be expended on a mix of direct cash investment in a portfolio of projects, capacity building and performance advisory services, and other support costs. Some £0.15m (2018: £0.22m) of the funds remained in hand at the balance sheet date for commitment to venture investment and support costs in 2019-2020.

#### Intandem

The trustees have an obligation to the Scottish Government to commit £0.64m (2018: £0.75m) to the intandem programme. The grant is to be expended on a mix of capacity building and venture support, evaluation and other direct costs. Some £0.1m (2018: £0.1m) of funds remained in hand at the balance sheet date for commitment to venture investment, infrastructure development and sector capacity building.

#### Learning Disabilities

The trustees have an obligation to Scottish Government to commit a £0.65m (2018: £0.1m) grant in support of charities within the Learning Disabilities fund. The grant is to be expended on a direct cash investment into these charities. Some £0.17m (2018: £0.1m) of the grant funds claimed in the financial year remained in hand at the balance sheet date for commitment to the charities.

#### Autism

The trustees have an obligation to Scottish Government to commit a £0.04m grant in support of one charity within the Autism fund. The grant is to be expended on direct cash investment into this charity. Some £0.02m of the grant funds claimed in the financial year remained in hand at the balance sheet date for commitment to charities. There is an additional obligation of £0.45m in support of an Awareness Campaign, commencing 2019-2020 of which the full amount remains in hand at balance sheet date.

#### Our Future Now (OFN)

The trustees have an obligation of a £0.11m donation in support of Our future Now the successor fund to 14:19. This is to be expended on direct cash investment into this fund. All of the amount received in the financial year remained in hand at the balance sheet date for commitment to the charities.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	65,108	64,868
Between one and five years	4,090	58,509
	<u>69,198</u>	<u>123,377</u>

Operating lease charges payable in the year amounted to £57,059 (2018: £59,095).

### 23 Related party transactions

#### Remuneration of key management personnel

The trustees consider the Board of Trustees and the executive management team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustees received any remuneration in the year. During the year, the executive management team consisted of five individuals (2018: six) and is listed at the front of the accounts. The remuneration of key management personnel is as follows:

	2019 £	2018 £
Aggregate compensation	<u>394,666</u>	<u>399,983</u>

#### Other related party transactions

Two trustees are donors, or are associated with donors, to Inspiring Scotland or the 14:19 Fund. The total amount receivable in the year from these parties was £51,000 (2018: £112,500).

One trustee, Dona Milne, is chair of Youth Scotland and the independent chair of a national steering group on youth work, supported by Youthlink. Both Youth Scotland and Youthlink are participants in Phase 4 of Cashback, a fund managed by Inspiring Scotland on behalf of Scottish Government. The successful Phase 4 participants were selected by Scottish Government and Inspiring Scotland's trustees had no input to or influence over the process.