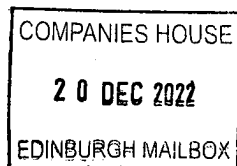


Charity Registration No. SC039605 (Scotland)  
Company Registration No. SC342436 (Scotland)



**REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2022**



# INSPIRING SCOTLAND

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Board of Trustees

A. Sinclair Dunlop  
Emma Congreve  
John P Farmer  
Gary Le Sueur  
Joe McGrane  
Dona Milne  
Paula Skinner  
Joyce H White

Chair  
(appointed 1 August 2021)

(appointed 9 September 2021)

### Audit Committee

Joe McGrane  
Richard Sweetman  
John Farmer  
Paula Skinner

Chair  
External Consultant

### Executive Management Team

Celia Tennant  
Helen Chambers  
Sharon Mooney  
Julia Abel  
Kaylie Allen

Chief Executive  
Deputy Chief Executive (resigned 31 January 2022)  
Finance Director  
Head of Development and Partnerships  
Head of Funds

Company Number SC342436  
Charity Number (Scotland) SC039605

Registered Office Suite 2  
14 New Mart Road  
Edinburgh  
EH14 1RL

Auditor RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

Bankers 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

Solicitors Lindsays WS, Solicitors  
Caledonian Exchange  
19A Canning Street  
Edinburgh  
EH3 8HE

CMS Cameron McKenna  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

Burness Paul LLP  
50 Lothian Road  
Edinburgh  
EH3 9WJ

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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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 2022. 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 2019.

### Objectives

*Vision: "Every person in Scotland can enjoy a happy, healthy life free from poverty or disadvantage"*

**Our mission** is to inspire people, communities, organisations and government to work together to drive social change and transform lives.

We believe Scotland's voluntary sector has a transformative effect on the lives of those living in Scotland who otherwise may struggle due to life circumstances, poverty, or other disadvantages.

**Our Aim** is to amplify and strengthen the impact of organisations by helping them to build their strength, resilience, and reach.

We do that by harnessing the power of the private, public, and voluntary sectors.

### Our Work

We achieve this by funding, and supporting organisations based on strong evidence of need and impact, and work with them to make the best use of resources. We use evidence and are led by the experience of people impacted by poverty and disadvantage. This directly informs our work and how we invest our time and resources.

We believe in:

- Providing long term funding
- Building relationships and enhancing organisations' capabilities
- Bringing people together as a collective to learn and share
- Responding to and amplifying the varied and authentic voice of people who experience poverty and disadvantage
- Understanding and scaling impact through rigorous evaluation and organisation development
- Developing and supporting voluntary sector leaders
- Harnessing the power of skilled volunteer input from local communities and Scotland's business sectors

Acting as a catalyst for action and change with partners and contributors across all sectors.

Through our model of thematic funding programmes, managed and supported by dedicated fund and core staff teams, we add value to funds invested, by;

- **Strengthening the organisations and communities** that tackle social issues so that they can better address those issues and help more people.
- **Supporting, developing and connecting the people who are at the forefront of tackling social issues** so that they can share their lived experience, knowledge and have a greater collective impact. We aim to develop long-term supportive relationships with those we fund.
- **Informing and influencing government, local authorities and public bodies** so that they can better understand lived experience and react to social issues faced by Scotland's people.
- **Encouraging new ideas and better ways of working to tackle social issues** in a more effective way. We can be creative, flexible and agile as a funder.
- **Making it possible for philanthropists, government, public bodies and charities to spend money more effectively** in the fight against poverty and disadvantage.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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### Activities

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

- 1) Continued fundraising for, development of, and investment in portfolio partners, in programmes designed, developed, and operated by Inspiring Scotland. These programmes include Our Future Now, Link Up, Thrive Outdoors and intandem.
- 2) Partnering with Scottish Government to support the management and delivery of funding programmes, the funds supported in 2021-2022 include Cashback for Communities ("Cashback"), autism, Inspiring Inclusion (Learning Disabilities), Support in The Right Direction (SiRD), Survivors of Childhood Abuse Support Fund (SOCAS), Perinatal and Infant Mental Health Fund (PIMH), Creative Communities, Equally Safe Violence Against Women and Girls Fund (ESVAWG), Rape Crisis Specific (RCS) Fund, and the Promoting Equality and Cohesion Fund.
- 3) Partnering with other independent investors to develop and deliver grant programmes. These include the Building Bright Futures Fund and the Youth Action Fund (developed in 2021).
- 4) In addition, eleven new programmes, some an evolution of previous programmes were launched in partnership with Scottish Government and investors in 2021. These include: autism 2021, Creative Communities Phase 3, Perinatal and Infant Mental Health Small Grants Fund, Delivering Equally Safe (previously ESVAWG/RCS), Equality and Human Rights Fund (previously Promoting Equality and Cohesion Fund), Islands Communities Fund, Healthy Islands Fund, Rural Communities Ideas into Action Fund, Thrive (Community Outdoor Play), Urgent Response Fund (Survivors) and the Workforce Wellbeing Fund for Adult Social Work and Social Care.
- 5) Provision of advisory and consultancy support to Scottish Government and charities, not within existing funds or programmes, to build their capacity and resilience so they can better help those experiencing disadvantage.
- 6) Reviewing the Inspiring Scotland strategy and ongoing development work to achieve more impact and add value to funded partners.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

### Strategic Report

#### Achievements and performance

During the period, Inspiring Scotland managed and operated 17 funding programmes (2021-17). Each of the 17 programmes are at different stages, with some developed and launched in 2021, and others continuing programme delivery against objectives. With all programmes we aim to add value as summarised in the 5 added value statements. Key achievements in the year to 31<sup>st</sup> March 2022 include:

#### Programme/ Fund Development

- Development and launch of 11 funding opportunities. Fund and communications teams provided pre-application support through guidance notes, FAQ documents, webinars, surgery sessions, presentations and enquiry lines. Feedback from applicants monitored the type of support accessed and the helpfulness of the support with 88.8% finding the guidance helpful or very helpful, 90.5% finding enquiry support from Fund teams helpful or very helpful, and 86.3% finding the application form easy or very easy to submit.
- Delivery of 11 Fund application and assessment processes within the 2021-22 year. In total 1,109 applications to the value of £194.4m were received and assessed by fund teams resulting in grant offers to the value of £70.5m to 499 applicants. In addition, a further 4 investments for £385k were agreed for the new Youth Action Fund.

#### Measurement of Success

- Programme/ Fund Delivery: Data on fund aims, organisations supported and income for 2021-22 is the table below:

Fund	Fund Scale £m	Organisations Funded and/or Managed	Fund Aims
OFN (Our Future Now)	£2.61	12	Young People will; re-engage with school; undertake a Further or Higher Education course; or secure and retain employment. Portfolio ventures are resilient and better able to meet the needs of young people.
Survivors of Childhood Abuse Support Fund (SOCAS)	£0.13	29	Support the victims of childhood abuse, ensuring they have access to integrated care, support and services that demonstrate a reduction in the impact of abuse.
Inspiring Inclusion: Learning Disabilities	£0.89	6	Support charities to develop and improve financial sustainability, governance and strategic direction to enable them to support people with learning disabilities lead more meaningful lives.
Link Up	£0.50	11	Help people living in the most deprived areas build relationships and increase engagement within their community. Work together to end generations of disadvantage and stop the cycle of poverty.
SiRD (Support in The Right Direction)	£2.72	32	Empower people to be equal partners in their care and support decisions, and to participate fully in all aspects of life.
Cashback	£0.00*	24	Raise attainment, ambition, and aspirations of disadvantaged young people and deliver enhanced outcomes.
Autism	£0.65	14	Make Scotland a more accessible, inclusive and understanding place for autistic people to learn, work and live.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

Fund	Fund Scale £m	Organisations Funded and/or Managed	Fund Aims
intandem	£0.67	12	Deliver an effective National Mentoring Programme for Children looked after at Home and helping them build a consistent, trusting relationship with an adult role model.
Thrive Outdoors	£0.59	33	Establish outdoor play as mainstream across society and increase opportunities to benefit from outdoor active play and tackle long term health and wellbeing issues related to deprivation and inactivity.
BBFF (Building Brighter Futures Fund)	£0.51	10	Supports most disadvantaged young people furthest from the labour market to gain skills and confidence through education, employment and training.
Creative Communities	£0.44	48	Support to empower communities to develop cultural activities.
Perinatal and Infant Mental Health Fund(s)	£0.91	32	Provide crucial help for mothers, infants and their families who are in need of mental health support, increasing access to local specialist care, decreasing feelings of isolation, and supporting parents and carers to better meet the physical, social, emotional and cognitive needs of their children.
Equality & Human Rights Including: Promoting Equality and Cohesion Fund (to Sept 21), Delivering Equally Safe (from Oct 21) and Equally Safe VAWG/RCS Funds (to Sept 21)	£18.62	337	Support delivery of the Equally Safe strategy to prevent and eradicate violence against women and girls and funding interventions which ensure the safety and wellbeing of women, children and young people. Support organisations tackling inequality and discrimination, furthering equality, and advancing the realisation of human rights in Scotland. Embed and mainstream equality and human rights within policy and practice in Scotland, which is inclusive, free from discrimination and where the human rights of everyone are respected, protected and fulfilled.
Islands Communities Fund	£2.59	35	Supporting employment and community resilience activities that deliver green economic recovery from the COVID-19 pandemic.
Rural Communities Ideas into Action	£1.95	127	Encouraging and supporting innovative approaches to community-led local development in rural communities across Scotland.
Healthy Islands Fund	£1.36	68	Improving health, social care and wellbeing for those living in Scottish island communities.
Workforce Wellbeing Fund for Adult Social Work and Social Care	£1.00	9	Improving the wellbeing of staff working in adult social work and social care across public, private and voluntary sectors

\*Cashback funds distributed directly by funder.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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During the reporting period, the Trustees set the key strategic priorities for 2021-22:

- 1) The continuation of investment, by way of grants and capacity building support, in the funds designed, developed and operated by Inspiring Scotland.**

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 Our Future Now; 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 Outdoors; and, improvements in health and wellbeing, and social and community engagement for intandem.

Our Future Now built on its previous success with 3,579 young people achieving a positive destination during the year. The Scottish Government invested an additional £0.5m in Our Future Now in the year to 31<sup>st</sup> March 2021, funding work specifically with young people aged 16-17 years old who were worst affected by the pandemic.

Link Up is Inspiring Scotland's community development and wellbeing programme. It is amongst the largest and longest running programmes of its kind helping to improve the lives of people living in some of Scotland's most deprived communities. In the past year, 4,065 people engaged with Link Up, 161 as volunteers.

intandem supported 203 young people looked after at home resulting in improved relationships, confidence and self-esteem and increasing their connection to their community. The programme trained an additional 96 volunteers to become mentors during the year and supported another 125 volunteers in mentoring relationships. In the next financial year the programme will expand to support young people in kinship care arrangements with a funding award from The Robertson Trust.

Thrive Outdoors built on our longstanding commitment to ensure children and young people could experience and enjoy free play in the outdoors with continued delivery of the Active Play programme and the Outdoor Organised Community Play Fund.

- 2) Partnering with national and local government, and philanthropists to support the management of key funds.**

A key indicator of success is the renewal success on existing funds managed for partners, and conversion rates on potential new funds. No funds were lost during the year, with successful renewal of 9 partnership funds (2021 – 9 funds). In addition Inspiring Scotland launched four new Scottish Government programmes in 2022. These were the Islands Communities Fund (an evolution of the Islands Green Recovery Programme), Healthy Islands Fund, Rural Communities Ideas into Action and the Workforce Wellbeing Fund for Adult Social Work and Social Care.

Our work with philanthropists continues. In 2022 Inspiring Scotland continued to manage a programme of grant giving through the Building Brighter Futures Fund on behalf of the Hub Community Foundation and developed a partnership with The Distiller's Charity to launch the Youth Action Fund. The Youth Action Fund is a long-term initiative dedicated to transforming the life chances of young people in Scotland, empowering them to create positive change. Its charity partners will provide young people with real opportunities to develop life skills, discover what they value and become work-ready.

- 3) To expand our advisory service to support selected charities, not within existing funds or programmes, to build their capacity and resilience.**

In 2022 our Specialist Volunteer Network team supported 70 organisations not within existing funds or programmes.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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Our advisory service has also supported 7 clients with consultancy in 2022 generating income of £0.03m. Support has included facilitating workshops, strategic development, fund development, providing governance support and specialist training.

### **4) To seek new fund opportunities and develop thought leadership in addressing complex issues in Scotland and sharing learning.**

In 2022 we have launched eleven new funding opportunities, and developed a new programme through the Youth Action Fund. Fund teams have also shared learning through the generation of progress reports, and ongoing contact and feedback to partners and investors.

Key highlights from the year include:

- OFN publication of a series of insight papers on the depth of the impact of Covid-19 on disadvantaged young people
- DES research on the experience of survivors of gender based violence accessing third and public sector support

### **Specialist Volunteer Network (Pro Bono)**

Inspiring Scotland's network of over 500 Specialist Professional Volunteers continues to play a vital role in complementing and enhancing the tailored development support offered to charities within our funds and the wider sector.

During the year 487 hours of support were provided including volunteer Trustees, individual mentoring, business planning, financial, legal and marketing. The number of Specialist Volunteers averaged 33 Specialist Volunteer matches per month with 41 active Trustees also recruited and 50 organisations receiving bespoke Trustee training.

Our Specialist Volunteers delivered training workshops on; Charity Accounts, Cost Benefit Analysis, Creating Outstanding Service User Experiences, Cyber Security, Excel, GDPR, Leadership, Overcoming Recruitment Challenges, Risk Management, Trading Models and Social Investment, and Wellbeing.

The Network was also delighted to launch its second corporate partnership cohort with Wood Mackenzie, this time with the number of charities supported increasing from 3 to 6, and 21 'WoodMackers' signed up to support.

### **Future Plans**

The Trustees have the following key strategic priorities for the coming year, as set out in the 2022-26 Strategy:

#### **Strategic Priority 1: Improving life chances for children and young people:**

- To embed Thrive strategic direction and potential and support the trading arm subsidiary, Willow Den, to continue scaling and developing multiple locations
- To extend governmental, and other sector investment into community based non-clinical support for families experiencing, or at risk of, mental ill health in the perinatal period
- To form a strategic family of employability linked programmes, and ensuring the voice of young people is embedded in all employability fund development
- To launch the Youth Action Fund in partnership with WOCD
- To initiate a campaign to raise private finance for OFN, and intandem and move to a multi-year funding position with Scottish Government (SG)
- To build the reach of intandem both geographically, and to support young people in kinship
- To continue and retain fund management support services across all funds

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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### Strategic Priority 2: Flourishing Lives

- To establish the Assembly as the national Parliament for people with Learning Disabilities
- To develop the ASN Network in the South of Scotland and show case for other regions
- To extend SG support into community based independent support and advocacy for people in need of social care embedding this provision within the new National Care Service securing multi-year funding for Support in the Right Direction (or a successor programme)
- To secure multiple year funding for all programmes
- To mark and celebrate the conclusion of 10 years of Link Up
- To build strategic funding partnerships for Phase 2 of Link Up
- To move Creative Communities to a multi-year funding model with SG.
- To build intelligence on rural poverty and support development of the Local Action Groups infrastructure
- To share the learning from islands and rural programmes on climate

### Strategic Priority 3: Climate Action

- To undertake a carbon audit, implement a carbon reduction plan and reduce carbon footprint by 50%
- To understand carbon reduction in the context of organisational support
- To build partnerships with other funders in Scotland to collaborate and co-ordinate approaches to bringing carbon reduction into funding practices
- To understand the concept of climate justice and a just transition and how climate change will impact on Scotland's communities
- To keep abreast of climate related policy developments and understand the eco-system, key players and roles across Scotland
- To finalise our climate related plan of action

### Strategic Priority 4: Challenging Ourselves

- To further develop Health check and knowledge hub share with wider sector
- To further develop an evaluation and learning plan for Inspiring Scotland using the five added values goals as a framework to understand and improve our impact
- To embed a programme of regular feedback across all areas of the fund management process from application through to portfolio management
- To deliver essentials staff Training Plan in line with Risk Register

### Financial review

Total income in the period was £39.6m (2021: £21.5m) and was derived predominantly from grants and donations. The increase in turnover of £18.1m (84%) was a result of additional funds delivered in the year, including extra funds within the Equality & Human Rights fund awarded in 2020, this included the Promoting Equality and Cohesion Fund (to Sept 21), Equally Safe Violence Against Women and Girls and the Rape Crisis Specific Fund (to Sept 21) as well as Delivering Equally Safe (from Oct 21).

Other new funds launched in the period included Islands Communities Fund (£2.6m), Rural Communities into Action (£2.0m), Healthy Islands Fund (£1.4m) and Workforce Wellbeing Fund for Adult Social Work and Social Care (£1m).

Existing funds also increased in size, Learning Disabilities (£0.3m), Perinatal and Infant Mental Health (£0.3m), Autism (£0.2m), Thrive Outdoors (£0.2m) and Our Future Now (£0.1m) all of which offset a decrease in funding received for the Creative Communities fund (£0.6m).

Total resources expended in the period were £37.9m (2021: £21.0m). This increase in costs was a result of an additional £16.4m of grants disbursed through the additional funds. Staff costs increased in line with these new funds.

Net incoming resources for the period were £1.7m (2021: £0.5m). This inflow was a result of the increase in scale of some funds with distribution of restricted funds received planned for over the current year to 31<sup>st</sup> March 2023.

# **INSPIRING SCOTLAND**

## **TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022**

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Deferred Income of £7.8m in Creditors relates to funds for the year 2022-2023 claimed at the end of March 2022, services for which will be delivered in the year to 31<sup>st</sup> March 2023.

A cumulative amount of £3.9m (2021: £2.2m) was carried forward at 31 March 2022 as restricted funds, represented by the net assets of the funds as disclosed in note 21. This is expected to be used over the next year.

A total of £1.2m (2021: £1.2m) unrestricted funds is also carried forward with any surplus over required reserves used to fund further research and innovation across the organisation. The total funds held at 31 March 2022 equalled £5.1m.

### **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 led the implementation of a new risk framework during the year which confirmed key areas of risk, likelihood and impact with reports highlighting changes and actions taken by the senior leadership team each quarter. Risk Management is a standing agenda item for all Board and Audit Committee meetings.

The ongoing impact of the COVID-19 pandemic and the current inflationary economic landscape are key risks to all organisations and Inspiring Scotland recognises the potential impact it may have financially on future funding directly and on the fund-raising abilities of those charities we support. Many of the charities are on the front line supporting the most vulnerable households affected by COVID-19. A Risk Assessment of all our charities is conducted with the results analysed and assessed on a RAG (Red/Amber/Green) basis so we can appropriately monitor and provide support. Monitoring covers governance, service delivery, financial stability, and project status, and to date shows a small number of charities in our portfolio to be at risk with all facing new and potentially growing challenges. We remain in close contact to understand and support as needs change and are encouraging multiple potential future scenarios to support the charities' ability to respond and thrive in what continues to be, a challenging environment. The nature of the services the charities provide, however, is in line with Scottish Governments programme for Government and funding in their core areas of activity should continue as need increases.

Some of the other 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:

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

<b>Risk</b>	<b>Mitigating Actions</b>
Over dependency on one funder	Continually evaluate added value and quality to ensure funders expectations met or exceeded. Focus on ongoing dialogue with key Scottish Government 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. SLT 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 are a key focus for SLT and Board and are 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. Reserves considered appropriate are the higher of three months' operating costs and the reserves required to protect the organisation against known or foreseen risks, as identified in the risk register. The operational costs included in the Budget to March 2023 for a 3 month period are £0.7m, which with reserves carried forward of £1.0m, is within the target level. Movement in Reserves is monitored and reported to the Board monthly.

### 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 principal sources of funding in the period were government grants, charitable trusts and foundation grants, local authorities and donations from individuals and corporates. 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 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 2024.

# **INSPIRING SCOTLAND**

## **TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022**

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The cash flow projections on which the Trustees have based their assessment show that budgeted operating expenditure through to March 2024 is covered by general cash balances carried forward at 31 March 2022 and general-purpose income remittances due to be received in the period to March 2024.

The Trustees believe that they have reasonable certainty over the receipt of contractual income to 31 March 2024 and have carried out satisfactory sensitivity reviews of the impact of the combined reduction of certain income streams through to 31 March 2024. They also believe that the need for the majority of the charity's services will continue and in some cases increase post COVID-19.

Forecasts have been prepared under several scenarios to take account of the impact of the ongoing coronavirus pandemic. The Trustees, having reviewed these forecasts and tested the assumptions on which they are based, are confident that the charity has robust strategies, agility, and sufficient reserves to adapt quickly to continue in operation for the foreseeable future which is defined as 12 months after the date of signing of these financial statements. Therefore, they continue to adopt the going concern assumption in the preparation of the financial statements.

### **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).

Willow Den Scotland Limited (Registered Company Number SC674391) was incorporated on 15 September 2020 as a company and is a wholly owned subsidiary of Inspiring Scotland. It is governed by Articles of Association adopted on 4th June 2021.

#### **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 and acknowledge Board composition should reflect diversity in all forms not only gender.

The number of Trustees, who were also directors and members, at 31 March 2022 was eight (2021 – six). 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

# **INSPIRING SCOTLAND**

## **TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022**

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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. The Board believe that the charity is compliant with the Scottish Code of Governance for the Third Sector, issued in November 2018.

### **Related Parties**

One Trustee 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. One Trustee is also a family member of The Farmer Foundation, a major donor in the period and one Trustee is a Senior Adviser to Scottish Equity Partners who were also donors in the period.

### **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.

Senior leadership team pay and total remuneration package is set by the Board, with salary benchmarking advice being provided, as required, by HR experts on a pro bono basis.

The Board is supported by an Audit Committee. Members of the Audit Committee, which includes one external advisor, are appointed by the Board and meetings convened independently.

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 offer themselves for re-appointment subject to approval at the next AGM.

### **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.

### **Statement under s172 of the Companies Act 2006**

The Trustees have had regard to the need to foster the charity's business relationships with suppliers, funders, beneficiaries, and others as follows:

- Inherent in the Inspiring Scotland model is a venture philanthropy approach, applying venture capital principles such as long term investment and tailored development support to a portfolio of charities.

# INSPIRING SCOTLAND

## TRUSTEES' REPORT FOR YEAR ENDING 31 MARCH 2022

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- Support charities to develop, become more resilient, and collaborative through providing purpose-built tools, organisational health checks, events and workshops.
- Additional funding as necessary, establishing Inspiring Scotland COVID-19 emergency fund to help charities in need and supporting the Scottish Government Wellbeing Fund, post year end, to evaluate and monitor applications and process payment of awards.
- Continuous discussion with Scottish Government around requirement for funding that maximises impact on the most vulnerable and disadvantaged in Scotland.
- Establishing collaborative networks of professional volunteers who provide vital expertise, helping charities to build capacity and overcome problems. Strengthening strategic partnerships across all sectors (private, public, third sector) to produce deep and varied solutions.

The Trustees' report was approved by the Board of Trustees: Dec 16th, 2022

A S Dunlop

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**A Dunlop**

Trustee

Dated 16th December 2022

## **INSPIRING SCOTLAND**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2022**

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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.

## **INSPIRING SCOTLAND**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Opinion**

We have audited the financial statements of Inspiring Scotland (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated and Charity Statements of Financial Position, the Consolidated Statement of Cash Flows, the Charity Statement of Cash Flows and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2022; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 regulations 6 and 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 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 group and parent 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**

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 group's or parent 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 annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and,

## **INSPIRING SCOTLAND**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2022**

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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.

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 and strategic report prepared for the purposes of company law and included within the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and the strategic report, included within the Trustees' annual report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the strategic report, included within the Trustees' annual 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:

- sufficient, adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 set out on page 13, 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 group's and parent 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 group or parent 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

## INSPIRING SCOTLAND

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2022

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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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud, having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included a review of financial statement disclosures.

The group audit engagement team identified the risk of management override of controls and the risk of income being recognised in the incorrect period as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, and testing a sample of income recognised both in the period before the year end and after the year end to confirm for this sample that the income was recorded appropriately in the relevant period.

## INSPIRING SCOTLAND

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF INSPIRING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2022

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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 charitable company'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 charitable company'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 charitable company, 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.

*Kelly Adams*

Kelly Adams (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

20/12/22

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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

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	2,342,638	17,493,883	19,836,521	18,000,783
Charitable activities	4	867,879	18,654,882	19,522,761	3,497,065
Commercial trading operations	5	229,206	-	229,206	-
<b>Total Income</b>		<b>3,439,723</b>	<b>36,148,765</b>	<b>39,588,488</b>	<b>21,497,848</b>
<b>Expenditure on:</b>					
Raising funds	6	30,870	108,100	138,970	126,123
Charitable activities	7	3,123,980	34,336,862	37,460,842	20,903,663
Commercial trading operations	8	280,711	-	280,711	-
<b>Total resources expended</b>		<b>3,435,561</b>	<b>34,444,962</b>	<b>37,880,523</b>	<b>21,029,786</b>
<b>Net income/(expenditure)</b>		<b>4,162</b>	<b>1,703,803</b>	<b>1,707,965</b>	<b>468,062</b>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>4,162</b>	<b>1,703,803</b>	<b>1,707,965</b>	<b>468,062</b>
Total funds brought forward		1,225,127	2,185,014	3,410,141	2,942,079
<b>Total funds carried forward</b>	<b>21</b>	<b>1,229,289</b>	<b>3,888,817</b>	<b>5,118,106</b>	<b>3,410,141</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

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	2,342,638	17,493,883	19,836,521	18,000,783
Charitable activities	4	867,879	18,654,882	19,522,761	3,497,065
<b>Total Income</b>		<u>3,210,517</u>	<u>36,148,765</u>	<u>39,359,282</u>	<u>21,497,848</u>
<b>Expenditure on:</b>					
Raising funds	6	30,870	108,100	138,970	126,123
Charitable activities	7	3,123,980	34,336,862	37,460,842	20,861,738
<b>Total resources expended</b>		<u>3,154,850</u>	<u>34,444,962</u>	<u>37,599,812</u>	<u>20,987,861</u>
<b>Net income</b>		55,667	1,703,803	1,759,470	509,987
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		55,667	1,703,803	1,759,470	509,987
Total funds brought forward		<u>1,267,052</u>	<u>2,185,014</u>	<u>3,452,066</u>	<u>2,942,079</u>
<b>Total funds carried forward</b>	21	<u>1,322,719</u>	<u>3,888,817</u>	<u>5,211,536</u>	<u>3,452,066</u>

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

**CONSOLIDATED AND CHARITY STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

		Group		Charity	
	Notes	2022 £	2021 £	2022 £	2021 £
<b>Fixed assets</b>					
Intangible assets	13	531	4,671	531	4,671
Tangible assets	14	57,710	40,841	40,151	40,841
Investments	15	-	-	1	1
		58,241	45,512	40,683	45,513
<b>Current assets</b>					
Debtors due within one year	16	7,873,784	245,676	7,987,057	287,600
Debtors due after more than one year	16	-	-	100,000	75,000
Cash at bank and in hand		5,788,583	3,569,518	5,255,947	3,494,518
		13,662,367	3,815,194	13,343,004	3,857,118
<b>Creditors: amounts falling due within one year</b>	17	(8,183,657)	(450,565)	(8,172,151)	(450,565)
<b>Net current assets</b>		5,478,710	3,364,629	5,170,853	3,406,553
<b>Creditors: amounts falling due after one year</b>	17	(418,845)	-	-	-
<b>Total assets less liabilities</b>		5,118,106	3,410,141	5,211,536	3,452,066
<b>Income funds</b>					
Restricted funds	19	3,888,817	2,185,014	3,888,817	2,185,014
<u>Unrestricted funds</u>					
Designated funds	20	-	40,000	-	40,000
General unrestricted funds		1,229,289	1,185,127	1,322,719	1,227,052
		1,229,289	1,225,127	1,322,719	1,267,052
		5,118,106	3,410,141	5,211,536	3,452,066

The financial statements were approved by the Board of Trustees and authorised for issue on Dec 16th, 2022

A S Dunlop

.....  
A Dunlop  
Trustee

J McGrane

.....  
J McGrane  
Trustee

# INSPIRING SCOTLAND

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021
	Notes	£	£	£
<b>Cash flows from operating activities</b>				
Cash generated from operations	22		1,860,540	763,570
<b>Investing activities</b>				
Purchase of tangible fixed assets		(41,460)		(30,147)
<b>Net cash used in investing activities</b>			(41,460)	(30,147)
<b>Financing activities</b>				
Proceeds of new borrowings		399,985		-
<b>Net cash used in financing activities</b>			399,985	-
<b>Net increase in cash and cash equivalents</b>				
			2,219,065	733,423
Cash and cash equivalents at beginning of year			3,569,518	2,836,095
<b>Cash and cash equivalents at end of year</b>			<u>5,788,583</u>	<u>3,569,518</u>
<b>Net Debt reconciliation</b>				
		Opening Balance	Cashflow	Non Cash Movement
Cash and cash equivalents		3,569,518	2,219,065	-
<b>Debt</b>				
Amounts due falling within one year		-	-	-
Amounts due falling after one year		-	(399,985)	(18,860)
<b>Net Debt at 31<sup>st</sup> March 2022</b>		<u>3,569,518</u>	<u>1,819,080</u>	<u>(18,860)</u>
				<u>5,369,738</u>

# INSPIRING SCOTLAND

## CHARITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		1,782,950		688,571
<b>Investing activities</b>					
Purchase of tangible fixed assets		(21,521)		(30,147)	
Investment in subsidiary		-		(1)	
<b>Net cash used in investing activities</b>			<u>(21,521)</u>		<u>(30,148)</u>
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			1,761,429		658,423
Cash and cash equivalents at beginning of year			<u>3,494,518</u>		<u>2,836,095</u>
<b>Cash and cash equivalents at end of year</b>			<u>5,255,947</u>		<u>3,494,518</u>
<b>Net Debt reconciliation</b>					
		Opening Balance	Cashflow	Non Cash Movement	Closing Balance
Cash and cash equivalents		3,494,518	1,761,429	-	5,255,947
<b>Debt</b>					
Amounts due falling within one year		-	-	-	-
Amounts due falling after one year		-	-	-	-
<b>Net Debt at 31<sup>st</sup> March 2022</b>		<u>3,494,518</u>	<u>1,761,429</u>	<u>-</u>	<u>5,255,947</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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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 Suite 2, 14 New Mart Road, Edinburgh EH14 1RL.

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 £.

#### Basis of consolidation

These financial statements incorporate Inspiring Scotland and its wholly owned trading subsidiary, Willow Den Scotland Limited, on a line by line basis.

#### Going concern

The financial statements are prepared on the going concern basis, which the Trustees consider to be appropriate in the light of their review of future income, expenditure and liquidity, as more fully described in the Trustees' Report. The Trustees have considered forecasts up to 31 March 2024 which have been revised to take account of the ongoing coronavirus pandemic. The Trustees, with reference to these forecasts, have considered the availability of future incoming resources and cash flow expected over this period. The Trustees have also considered the unrestricted reserves of £1.2m (all of which is matched by net current assets) and are satisfied that these will be sufficient to meet the charity's and group's requirements. The Trustees believe that they have reasonable certainty over receipt of contractual income to 31 March 2023 and have carried out satisfactory sensitivity reviews of the impact of the combined reduction of certain income streams through to 31 March 2024. They also believe that the need for the majority of the charity's services has continued and in some cases increased through the period. The Trustees do note the uncertainty surrounding the availability of future funding, which cannot be predicted with certainty given the unknown extent of the long term impact of the pandemic, but are confident that the charity and group can adapt to any required changes and will continue in operation for the foreseeable future. Therefore, they continue to adopt the going concern assumption in preparation of the financial statements

#### Reporting period

The charity's subsidiary, Willow Den Scotland Limited, was incorporated on 15 September 2020. As such, comparative figures for the group presented in these accounts include results for Willow Den Scotland Limited for the 197-day period to 31 March 2021 and not for a full 365-day period.

#### 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 by the Trustees 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.

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (continued)

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 where received in advance, planned services have commenced. 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.

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.

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (continued)

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

#### **Tangible fixed assets**

Tangible fixed assets with a cost of £500 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 and group 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).

#### **Investment in subsidiaries**

Investments in subsidiaries are held at cost.

#### **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 and group have 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 and group'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 2022

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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 group'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 2022

#### 3 Donations and legacies

Group and charity	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Donations and gifts	2,342,638	17,493,883	19,836,521	2,192,908	15,807,875	18,000,783
<b>Donations and gifts</b>						
Scottish Government grants	1,960,540	15,844,809	17,805,349	2,029,546	14,532,177	16,561,723
Trusts and foundations	62,475	422,885	485,360	98,700	828,554	927,254
Individual giving	32,237	1,197	33,434	18,637	97,527	116,164
Corporate donors	107,386	1,003,992	1,111,378	46,025	70,500	116,525
Local authority grants	180,000	221,000	401,000	-	279,117	279,117
	2,342,638	17,493,883	19,836,521	2,192,908	15,807,875	18,000,783

Income from Corporate Donors includes £60,450 (2021 - £46,025) of Specialist Volunteer Support services or donations-in-kind from various companies provided to Inspiring Scotland. Specialist Volunteer Support services in the year consisted of staff training, consultancy support, fundraising support, photography and provision of rooms and catering.

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

- The Souter Family Foundation
- The Promise Partnership – grant via Corra Foundation
- The National Lottery Community Fund
- The Hub Community Fund
- Richard Burns
- Leslie Robb
- The Moffat Charitable Trust
- Foundation Scotland
- Cash For Kids
- Baillie Gifford
- Ian Warmerdam
- David Graham
- Dr Guthries
- The Hugh Stenhouse Foundation
- J McNeil
- Thomas Coutts
- Gary Le Sueur

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 4 Charitable activities

Group and charity	2022 £	2021 £
Scottish Government	19,456,681	3,430,785
Local authorities	34,530	-
Other income	31,550	66,280
	<u>19,522,761</u>	<u>3,497,065</u>
Analysis by fund		
Unrestricted funds	867,879	640,861
Restricted funds	18,654,882	2,856,204
	<u>19,522,761</u>	<u>3,497,065</u>

Income from charitable activities relates to the delivery partner role for the Cashback for Communities programme, Support in the Right Direction and Equalities and Human Rights funds. Other income includes work with charities and Trusts.

### 5 Other trading activities income - Group

Income from commercial trading operations consists of income receivable by the charity's wholly owned subsidiary, Willow Den Scotland Limited, for the operation of outdoor nurseries for children aged 3-5 across Scotland.

### 6 Raising funds

Group and charity	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Fundraising and publicity</u>				
Investor reporting & awareness raising	216	1,948	2,164	941
Support costs (see note 10)	30,654	106,152	136,806	125,182
	<u>30,870</u>	<u>108,100</u>	<u>138,970</u>	<u>126,123</u>
For the year ended 31 March 2021				
Fundraising and publicity	<u>35,384</u>	<u>90,739</u>		<u>126,123</u>

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 7 Charitable activities

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Capacity building	310,947	732,197	310,947	732,197
Grant funding of activities (see note 9)	34,134,016	17,751,393	34,134,016	17,751,393
Direct Staff Costs	1,804,419	1,451,343	1,804,419	1,415,120
Share of support costs (see note 10)	485,809	517,272	485,809	511,570
Share of governance costs (see note 10)	725,651	451,458	725,651	451,458
	<u>37,460,842</u>	<u>20,903,663</u>	<u>37,460,842</u>	<u>20,861,738</u>
<b>Analysis by fund</b>				
Unrestricted funds	3,123,980	2,510,813	3,123,980	2,468,888
Restricted funds	34,336,862	18,392,850	34,336,862	18,392,850
	<u>37,460,842</u>	<u>20,903,663</u>	<u>37,460,842</u>	<u>20,861,738</u>

Included within expenditure on costs of raising funds and expenditure on charitable activities is £60,450 (2021: £46,025) of Specialist Volunteer Support services provided by corporate supporters that is recognised as a benefit-in-kind. Specialist Volunteer Support services in the year consisted of staff training, consultancy support, fundraising support, photography and provision of rooms and catering.

#### 8 Other trading activities expenditure - Group

Expenditure on commercial trading operations consists of expenditure by the charity's wholly owned subsidiary, Willow Den Scotland Limited, for the operation of outdoor nurseries for children aged 3-5 across Scotland.

#### 9 Grants payable

Group and charity	2022 £	2021 £
Our Future Now	2,472,528	2,337,452
Survivors	101,780	7,824
Learning Disabilities	527,065	596,676
Link Up	383,181	421,839
Support in The Right Direction (SiRD)	2,611,112	2,849,460
Autism	246,531	210,038
Intandem	595,979	577,640
Thrive (Outdoors (Go2Play)	606,081	580,263
Building Brighter Futures Fund (BBFF)	513,862	413,487
Creative Communities Programme	1,188,190	361,956
Perinatal & Infant Mental Health	914,633	644,981
Inspiring Scotland COVID-19 Emergency Response	29,375	215,000
Scottish Government Wellbeing	-	4,113,464
Islands Green Recovery Programme	-	1,155,040
Equality & Human Rights Fund	18,295,887	2,465,793
Outdoor Winter Clothing Fund	1,378	800,480
Islands Communities Fund	2,467,157	-
Rural Communities Ideas into Action	1,780,800	-
Healthy Islands Fund	1,361,767	-
Adult SC	36,710	-
	<u>34,134,016</u>	<u>17,751,393</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Grants payable (continued)

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. A full list of grants paid during the year is detailed on Inspiring Scotland website at [www.inspiringscotland.org.uk](http://www.inspiringscotland.org.uk). See note 23 for further detail.

### 10 Support costs

Group	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	377,857	470,966	848,823	703,873
Depreciation	14,421	11,930	26,351	20,588
Investor reporting & awareness raising	10,507	10,541	21,048	26,484
Office services, premises & technology	219,830	184,749	404,579	310,503
Audit fees	-	21,794	21,794	16,532
Legal, insurance and professional fees	-	22,371	22,371	12,632
Other fees to auditor	-	3,300	3,300	3,300
	<u>622,615</u>	<u>725,651</u>	<u>1,348,266</u>	<u>1,093,912</u>
Analysed between				
Fundraising	136,806	-	136,806	125,182
Charitable activities	485,809	725,651	1,211,460	968,730
	<u>622,615</u>	<u>725,651</u>	<u>1,348,266</u>	<u>1,093,912</u>
Charity	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	377,857	470,966	848,823	703,873
Depreciation	14,421	11,930	26,351	20,588
Investor reporting & awareness raising	10,507	10,541	21,048	26,484
Office services, premises & technology	219,830	184,749	404,579	304,801
Audit fees	-	21,794	21,794	16,532
Legal, insurance and professional fees	-	22,371	22,371	12,632
Other fees to auditor	-	3,300	3,300	3,300
	<u>622,615</u>	<u>725,651</u>	<u>1,348,266</u>	<u>1,088,210</u>
Analysed between				
Fundraising	136,806	-	136,806	125,182
Charitable activities	485,809	725,651	1,211,460	963,028
	<u>622,615</u>	<u>725,651</u>	<u>1,348,266</u>	<u>1,088,210</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

## 10 Support costs (continued)

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.

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 £21,794 (2021: £16,532) in respect of statutory audit fees and £3,300 (2021: £3,300) for other financial services.

## 11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits, or expenses from the charity during the year (2021: none).

## 12 Employees

### Number of employees

The average monthly number of employees during the year was 66 (2021: 43). The average monthly number of employees calculated on a full-time equivalent basis was as follows:

	Group		Charity	
	2022	2021	2022	2021
Performance advisory & capacity building:				
Our Future Now	2	2	2	2
- Survivors	1	1	1	1
- Learning Disabilities	1	1	1	1
- Link Up	2	2	2	2
Support in the Right Direction (SiRD)	2	2	2	2
- Cashback	3	2	3	2
- Autism	4	3	4	3
- intandem	3	2	3	2
- Thrive Outdoors (Go2Play)	3	4	3	4
Perinatal & infant Mental Health	1	1	1	1
Creative Communities	3	2	3	2
Islands Green Recovery Programme	1	1	1	1
- Equalities & Human Rights	10	7	10	7
Trading operations	6	-	-	-
Support staff, including executive management team & fund-raising	18	13	17	12
	<u>60</u>	<u>43</u>	<u>53</u>	<u>42</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 12 Employees (continued)

Employee Costs	Group 2022 £	2021 £	Charity 2022 £	2021 £
Wages and salaries	2,293,067	1,804,295	2,106,939	1,773,414
Social security costs	240,293	182,658	222,810	179,344
Other pension costs	194,299	129,775	183,907	127,351
	<u>2,727,659</u>	<u>2,116,728</u>	<u>2,513,656</u>	<u>2,080,109</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 3 (2021: 6) individuals during the period. The cost associated with contractors arising in the period is £24,945 (2021: £52,210). These staff members are counted in the average number of employees disclosed above. Contributions of £183,907 (2021: £127,351) were made in the year into employer group pension scheme arrangements on behalf of the 52 (2021: 42) members of staff who were members of the scheme during the year. Accrued pension contributions at the year end amounted to £21,095. (2021: £15,805) and are included in accruals and deferred income (see note 17). Contributions of £29,960 (2021: £22,123) were made in the year into employer group pension scheme arrangements on behalf of four (2021: three) higher paid employees.

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

	Group 2022 Number	2021 Number	Charity 2022 Number	2021 Number
£60,000-£69,999	2	1	1	1
£70,000-£79,999	2	-	2	-
£80,000-£89,999	-	1	-	1
£90,000-£99,999	-	-	-	-
£100,000-£109,999	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 13 Intangible fixed assets

Group and charity	Websites £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	<u>30,819</u>
<b>Amortisation and impairment</b>	
At 1 April 2021	26,148
Amortisation charged for the year	4,140
At 31 March 2022	<u>30,288</u>
<b>Carrying amount</b>	
At 31 March 2022	<u>531</u>
At 31 March 2021	<u>4,671</u>

Amortisation charged in the year is included within depreciation heading under support costs. See note 10.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 14 Tangible fixed assets

Group	Leasehold property £	Fixtures and fittings £	IT equipment £	Total £
<b>Cost</b>				
At 1 April 2021	5,142	7,421	121,835	134,398
Additions	7,012	8,045	26,403	41,460
At 31 March 2022	<u>12,154</u>	<u>15,466</u>	<u>148,238</u>	<u>175,858</u>
<b>Depreciation and impairment</b>				
At 1 April 2021	5,142	7,421	80,994	93,557
Depreciation charged in the year	586	734	23,271	24,591
At 31 March 2022	<u>5,728</u>	<u>8,155</u>	<u>104,265</u>	<u>118,148</u>
<b>Carrying amount</b>				
At 31 March 2022	6,426	7,311	43,973	57,710
At 31 March 2021	<u>-</u>	<u>-</u>	<u>40,841</u>	<u>40,841</u>
<b>Charity</b>				
	Leasehold property £	Fixtures and fittings £	IT equipment £	Total £
<b>Cost</b>				
At 1 April 2021	5,142	7,421	121,835	134,398
Additions	-	-	21,521	21,521
At 31 March 2022	<u>5,142</u>	<u>7,421</u>	<u>143,356</u>	<u>155,919</u>
<b>Depreciation and impairment</b>				
At 1 April 2021	5,142	7,421	80,994	93,557
Depreciation charged in the year	-	-	22,211	22,211
At 31 March 2022	<u>5,142</u>	<u>7,421</u>	<u>103,205</u>	<u>115,768</u>
<b>Carrying amount</b>				
At 31 March 2022	-	-	40,151	40,151
At 31 March 2021	<u>-</u>	<u>-</u>	<u>40,841</u>	<u>40,841</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 15 Subsidiary

Details of the charity's subsidiary at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Willow Den Scotland Ltd (SC674391)	Suite 2 14 New Mart Road Edinburgh EH14 1RL	To run outdoor nurseries	Ordinary Share capital	100.00	

Willow Den Scotland Limited had a capital and reserves deficit of £93,429 (2021: £41,924) at the year end. Income for the year amounted to £229,206 (2021: £nil), while expenditure amounted to £280,711 (2021: £41,925), giving a loss for the year of £51,505 (2021: £41,925).

### 16 Debtors

	Group		Charity	
Amounts falling due within one year:	2022 £	2021 £	2022 £	2021 £
Trade debtors	7,790,289	48,300	7,789,922	48,300
Amounts owed by group undertakings	-	-	115,097	41,924
Other debtors	1,642	140,716	1,642	140,716
Prepayments and accrued income	81,853	56,660	80,396	56,660
	<u>7,873,784</u>	<u>245,676</u>	<u>7,987,057</u>	<u>287,600</u>
<b>Amounts falling due after one year:</b>				
Unsecured amounts owed by group undertakings	-	-	100,000	75,000
	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>75,000</u>
<b>Total Debtors</b>	<u>7,873,784</u>	<u>245,676</u>	<u>8,087,057</u>	<u>362,600</u>

£100,000 is owed to Inspiring Scotland by its subsidiary, Willow Den Scotland, and therefore is recorded as amounts owed by group undertakings. This is a formal loan which is regarded as concessionary as it does not incur any interest until the 10<sup>th</sup> anniversary of draw down. The balance is repayable after five years commencing in July 2031.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 17 Creditors

	Group		Charity	
Amounts falling due within one year:	2022 £	2021 £	2022 £	2021 £
Trade creditors	35,384	11,474	35,322	11,474
Other taxation and social security	165,537	124,059	159,504	124,059
Other creditors	129,250	3,084	124,278	3,084
Accruals and deferred income (see note 18)	7,853,486	311,948	7,853,047	311,948
	<u>8,183,657</u>	<u>450,565</u>	<u>8,172,151</u>	<u>450,565</u>
Amounts falling due after one year:	2022 £	2021 £	2022 £	2021 £
Long term loans	418,845	-	-	-
	<u>418,845</u>	<u>-</u>	<u>-</u>	<u>-</u>

£225,000 of social loan funding was received in June 2021 and accrues interest at a rate of 10% which is compounded into the outstanding balance. The balance is repayable in equal instalments over the period July 2024 to June 2031.

£175,000 was received in June 2021 and accrues interest at a rate of 1% which is compounded into the outstanding balance. The full amount is due for repayment after five years in June 2031.

A bond and floating charge was registered on 30 June 2021 in favour of Social Growth Fund 2 LLP in respect of the £225,000 loan agreement included above.

### 18 Deferred Income

Group and charity	2022 £	2021 £
Opening Balance as at 31 March 2021	187,500	-
Income deferred in the year	7,801,128	187,500
Income released in the year	(187,500)	-
Closing Balance as at 31 March 2022	<u>7,801,128</u>	<u>187,500</u>

Deferred income of £7,801,128 (2021: £187,500) relates to grants received relating to periods past the year end and is include in accruals and deferred income in note 17.

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Restricted funds

#### Group and charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
14:19 Fund	15,321	-	-	-	15,321
Our Future Now (OFN)	348,062	2,612,187	(2,487,067)	-	473,182
Survivors Scotland	89,663	131,620	(154,317)	-	66,966
Learning Disabilities	84,278	892,678	(529,362)	-	447,594
Link Up	88,278	500,025	(392,300)	-	196,003
Support in The Right Direction (SiRD)	-	2,725,060	(2,612,392)	-	112,668
Cashback	3,055	2,864	(5,918)	-	1
Autism	166,518	648,977	(365,104)	-	450,391
intandem	50,027	674,000	(630,621)	-	93,406
Thrive Outdoors	345,653	587,597	(623,336)	-	309,914
Building Brighter Futures Fund (BBFF)	-	513,862	(513,862)	-	-
Creative Communities	907,391	439,184	(1,241,684)	-	104,891
Perinatal & Infant Mental Health	25,605	905,224	(915,761)	-	15,068
Inspiring Scotland COVID-19 Emergency	29,375	-	(29,375)	-	-
Scottish Government Wellbeing	-	-	-	-	-
Islands Green Recovery	51	-	-	-	51
Equalities & Human Rights	25,736	18,617,487	(18,295,891)	-	347,332
Outdoor Winter Clothing Fund	6,001	-	(1,378)	-	4,623
Islands Communities Fund	-	2,586,000	(2,467,157)	-	118,843
Rural Communities Ideas into Action	-	1,950,000	(1,780,800)	-	169,200
Healthy Islands Fund	-	1,362,000	(1,361,927)	-	73
Adult Social Work and Social Care Wellbeing Programme	-	1,000,000	(36,710)	-	963,290
	<u>2,185,014</u>	<u>36,148,765</u>	<u>(34,444,962)</u>	<u>-</u>	<u>3,888,817</u>

# INSPIRING SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Restricted funds (continued)

	Balance at 1 April 2020 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 March 2021 £
14:19 Fund	15,321	-	-	-	15,321
Our Future Now (OFN)	175,825	2,510,649	(2,338,412)	-	348,062
Survivors Scotland	10,657	100,000	(20,994)	-	89,663
Learning Disabilities	96,754	592,176	(604,652)	-	84,278
Link Up	117,087	401,274	(430,083)	-	88,278
Support in The Right Direction (SiRD)	12,431	2,833,571	(2,846,002)	-	-
Cashback	10,541	20,502	(27,988)	-	3,055
Autism	574,203	416,260	(823,945)	-	166,518
intandem	53,547	591,000	(594,520)	-	50,027
Thrive Outdoors	517,092	433,155	(604,594)	-	345,653
Building Brighter Futures Fund (BBFF)	-	413,487	(413,487)	-	-
Creative Communities	283,125	998,750	(374,484)	-	907,391
Perinatal & Infant Mental Health	32,941	647,314	(654,650)	-	25,605
Inspiring Scotland COVID-19 Emergency	105,000	139,375	(215,000)	-	29,375
Scottish Government Wellbeing	-	4,113,465	(4,113,465)	-	-
Islands Green Recovery	-	1,155,091	(1,155,040)	-	51
Equalities & Human Rights	-	2,491,529	(2,465,793)	-	25,736
Outdoor Winter Clothing Fund	-	806,481	(800,480)	-	6,001
	<u>2,004,524</u>	<u>18,664,079</u>	<u>(18,483,589)</u>	<u>-</u>	<u>2,185,014</u>

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 19 Restricted funds (continued)

Agreements with certain grant-makers and donors in relation to their funding of Our Future Now 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.

No transfer from unrestricted funds was made (2021: £nil) as all costs are directly allocated to the fund in the period in respect of direct operational costs attributable to fund and programme activity.

As at 31 March 2022, restricted balances comprised of the 14:19 & Our Future Now Funds, Survivors, Learning Disabilities, Link Up, Cashback, Autism, Thrive Outdoors, intandem, Creative Communities, Perinatal & Infant Mental Health, Inspiring Scotland COVID-19 Emergency Response, Islands Green Recovery Programme, Equalities & Human Rights, Outdoor Winter Clothing Fund, Islands Communities Fund, Rural Communities Ideas into Action, Healthy Islands Fund and Adult Social Work and Social Care Wellbeing Programme funds.

#### 20 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:

Group and charity	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resource s expended £	
Property fund	40,000	-	(40,000)	-
	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>

The property fund represents amounts set aside for dilapidations on exit of property. The lease term ended in February 2020 and notice to exit was given in December 2021 that we would exit in February 2022.

#### 21 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Intangible fixed assets	531	-	531
Tangible assets	57,710	-	57,710
Current assets/(liabilities)	1,171,048	3,888,817	5,059,865
	<u>1,229,289</u>	<u>3,888,817</u>	<u>5,118,106</u>

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 21 Analysis of net assets between funds (continued)

Charity	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Intangible fixed assets	531	-	531
Tangible assets	40,151	-	40,151
Investments	1	-	1
Current assets/(liabilities)	1,282,036	3,888,817	5,170,853
	<u>1,322,719</u>	<u>3,888,817</u>	<u>5,211,536</u>

#### 22 Cash generated from operations

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Net movement in funds	1,707,965	468,062	1,759,470	509,987
Adjustments for:				
Finance costs	18,860	-	-	-
Amortisation and impairment of intangible assets	4,140	6,123	4,140	6,123
Depreciation and impairment of tangible fixed assets	24,591	14,464	22,210	14,464
Movements in working capital:				
(Increase)/decrease in debtors	(7,628,108)	214,934	(7,724,457)	98,010
Increase in creditors	7,733,092	59,987	7,721,587	59,987
<b>Cash generated from operations</b>	<u>1,860,540</u>	<u>763,570</u>	<u>1,782,950</u>	<u>688,571</u>

#### 23 Financial commitments, guarantees and contingent liabilities

Our Future Now, the successor to 14:19

The Trustees had an obligation to Scottish Government and Corporate donors of £2.6m (2021: £2.5m) in support of Our Future Now, the successor fund to 14:19. This was to be expended on direct cash investment into this fund. Of the amount received in the financial year £0.47m remained in hand at the balance sheet date for commitment to the charities.

Survivors

The Trustees had an obligation to Scottish Government of £0.13m (2021: £0.1m) in support of Survivors fund. This was to be expended on direct cash investment into this fund with £0.07m of the amount received in the financial year in hand at the balance sheet date for commitment to the charities.

Learning Disabilities

The Trustees had an obligation to Scottish Government to commit £0.9m (2021: £0.6m) grant in support of charities within the Learning Disabilities fund. The grant was to be expended on a direct cash investment into

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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these charities. Some £0.45m (2021: £0.08m) of the grant funds claimed in the financial year remained in hand at the balance sheet date for commitment to the charities.

#### Link Up

The Trustees had an obligation to the Scottish Government and various other donors to commit £0.5m (2021: £0.4m) to Link Up. This was expended on a mix of direct cash investment in a portfolio of projects, capacity building, performance advisory services, and other support costs. Some £0.2m (2021: £0.09m) of the funds remained in hand at the balance sheet date for commitment to venture investment and support costs in 2022-2023.

#### Autism

The Trustees had an obligation to Scottish Government to commit £0.6m (2021: £0.4m) of grant funds in support of charities and to develop and manage a campaign to raise awareness of Autism. Some £0.45m (2021: £0.16m) of the grant funds remained in hand at the balance sheet date for commitment to charities and further support of the Awareness Campaign that commenced in 2019-2020.

#### Intandem

The Trustees had an obligation to the Scottish Government to commit £0.67m (2021: £0.6m) to the intandem programme. The grant was to be expended on a mix of capacity building and venture support, evaluation and other direct costs. Some £0.09m (2021: £0.05m) of funds remained in hand at the balance sheet date for commitment to venture investment, infrastructure development and sector capacity building.

#### Thrive Outdoors

The Trustees had an obligation to the funders of the Thrive Outdoors portfolio to commit £0.6m (2021: £0.4m), to the activities within the Thrive Outdoor programmes. The grants were to be expended on a mix of direct cash investment in a portfolio of charities, sector capacity building and performance advisory services, administering the Thrive Outdoor Nurseries Strategy Implementation fund and other support costs. Some £0.3m (2021: £0.3m) of grant funds and donations remained in hand at the balance sheet date.

#### Creative Communities

The Trustees had an obligation to the Scottish Government to commit £0.4m (2021: £1.0m) to the programme. The grant is to be expended on a mix of capacity building and venture support, evaluation and other direct costs with £0.01m (2021: £0.9m) of funds received remaining in hand at balance sheet date.

#### Perinatal & Infant Mental Health

The Trustees had an obligation to the Scottish Government to commit £0.9m (2021: £0.6m) to the Building the Sector programme comprising supporting organisations, raising awareness, capacity building and partnership working. Some £0.01m (2021: £0.02m) of funds received in the financial year remain outstanding a balance sheet date.

#### Equalities & Human Rights Fund

The Trustees had an obligation to the Scottish Government to commit £25.4m (2021: £2.5m) to the programme. The grant is to be expended on a mix of capacity building and venture support, evaluation and other direct costs with £0.3m (2021: £0.03m) of funds received remaining in hand at balance sheet date.

#### Outdoor Winter Clothing Fund

The Trustees had an obligation to the Scottish Government to commit £0.8m to an emergency clothing fund in 2021. The grant was expended on the provision of winter clothing to children and the small balance of funds £0.005m remaining in hand at balance sheet date will be returned or distributed in 2022.

#### Islands Communities Fund

The Trustees had an obligation to the Scottish Government to commit £2.6m to support employment and community resilience across the Scottish islands through activities that deliver green economic recovery from the ongoing impact of the COVID19 pandemic. The balance of £0.1m of funding at 31<sup>st</sup> March 2022 was distributed in April 2022.

#### Rural Communities Into Action Fund (RCIA)

The Trustees had an obligation to the Scottish Government to commit £1.9m to encourage and support innovative approaches to community-led local development in rural communities across Scotland. The balance of £0.17m of funding at 31<sup>st</sup> March 2022 will be distributed in 2022.

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### Workforce Wellbeing Fund for Adult Social Work and Social Care

The Trustees had an obligation to the Scottish Government to commit £1.0m for ideas that staff within Adult Social Work and Social Care have said will help to improve their wellbeing. The balance at 31<sup>st</sup> March 2022 of £0.9m is being distributed throughout 2022.

#### Support in the Right Direction (SiRD)

The Trustees had an obligation to the Scottish Government to commit £0.1m to the portfolio within SiRD to support and empower people to be equal partners in their care and support decisions and the balance of funding at 31st March 2022 will be made available during the year to 31st March 2023.

## 24 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:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Within one year	47,719	26,683	47,719	26,683
Between one and five years	141,129	719	141,129	719
	<u>188,848</u>	<u>27,402</u>	<u>188,848</u>	<u>27,402</u>

Operating lease charges payable in the year amounted to £60,294 (2021: £37,606).

## 25 Related party transactions

Transactions with the subsidiary Willow Den Scotland Limited includes an unsecured loan of £100,000 (2021: £75,000) which is payable over a 3 year term from the 14th anniversary of the loan. Other payments of £73,172 (2021: £41,925) were made on behalf of Willow Den for employee salary and benefits and marketing and branding expenses, at the year end £215,097 (2021: £116,924) was due to the parent.

Three Trustees of Inspiring Scotland are also Directors of Willow Den Scotland Ltd and one member of Inspiring Scotland's Senior Leadership Team was appointed Director and Company Secretary. No Directors received remuneration.

#### 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 individuals (2021: five) and is listed at the front of the accounts. The remuneration of key management personnel is as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Aggregate compensation	<u>378,177</u>	<u>346,761</u>	<u>378,177</u>	<u>346,761</u>

## INSPIRING SCOTLAND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### **Other related party transactions**

Two Trustees are donors, or are associated with donors, to Inspiring Scotland and Our Future Now Fund. The total amount received in the year from these parties was £25,000 (2021: £100,000).

One Trustee, Dona Milne, is chair of Youth Scotland and the independent chair of a national steering group on youth work, supported by Youthlink Scotland. Both Youth Scotland and Youthlink Scotland are participants in Phase 5 of CashBack for Communities, a fund managed by Inspiring Scotland on behalf of Scottish Government. The grant awards for Financial Years 2020-2023, are £1,700,000 and £2,700,000 respectively. The successful Phase 5 participants were selected by Scottish Government and Inspiring Scotland's Trustees had no input to or influence over the process.