

REGISTERED COMPANY NUMBER: SC120101 (Scotland)
REGISTERED CHARITY NUMBER: SC018453

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
ENGAGE RENFREWSHIRE**

ENGAGE RENFREWSHIRE

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FOR THE YEAR ENDED 31 MARCH 2022**

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ENGAGE RENFREWSHIRE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual trustees' report together with the financial statements of the charity for the year ending 31st March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Engage Renfrewshire is Renfrewshire's Third Sector Interface (TSI). TSIs aim to provide a single point of access for support and advice for the third sector within each local authority across Scotland. TSIs are charged with providing cohesive representation of the third sector with clear links to Community Planning Partnerships.

Engage Renfrewshire was developed through a merger in April 2011 and was shaped in response to the Scottish Government's Third Sector Action Plan. Since then the Company has set out to promote the local Third Sector and establish itself as a key contact for community action, volunteering and social enterprise in Renfrewshire. The Company works with a diverse range of groups and organisations to help make a positive difference to the lives of people in the Renfrewshire area. The Company aims to offer a diverse set of services and tailored support wherever it is required.

Engage Renfrewshire operates with a staffing complement of a chief executive, a head of finance, a Community and Partnerships Manager, 6 community officers, 4 finance staff, 1 administrator, and 2 cleaning/caretaking staff. The staffing is complemented by volunteers.

Engage Renfrewshire operates from a base in Ferguslie Park, Paisley. The offices are a recognised 'hub' which provides accommodation to West College Scotland (Learning Centre), Prince's Trust Scotland, Scottish Football Association Regional Officers, Renfrewshire's Access Panel, & Quarriers. The accommodation also offers a large training room which is utilised for an on-going partnership led training timetable - a programme which aims to support over 400 members who are part of Renfrewshire's Third Sector network.

The company provides community payroll and financial services; this year the team supported payroll for 92 Self-Directed Support Clients, employing 173 staff and 28 Organisations, employing 154 staff. The team also carried out 27 annual monitoring reports for individual clients and 2 Independent Examinations. By working closely with each individual who seeks the support of the Payroll Service the Company aims to remove the worries, anxieties and complications that can contribute to the stress that may be felt by any employer. The service promotes the capacity for development of individuals who are dealing with self-managing their own care by removing the difficulties around what can be a complicated - but often necessary - support need.

During 2021/22, Engage Renfrewshire worked within its four key themes - Volunteering, Community Capacity, Social Enterprise and Building the relationship with the Community Planning Partnership.

On the 4th October 2021 Childcare First Limited adopted a revised constitution, removing the requirement for its financial performance to be recorded in Engage Renfrewshire's group of financial accounts.

Grantmaking

Assessment Process: Grant awards were made via assessment panels, with membership of the panels reflective of local partnership. Panel members were drawn from Renfrewshire's Health & Social Care Partnership, Renfrewshire Council's Community Planning Partnership Team and Engage Renfrewshire. Panels were chaired by Engage Renfrewshire staff members, and recorded utilising an assessment matrix. Grants under £2,000, where appropriate, were assessed by the Community Mental Health & Wellbeing Officer and approved by the Panel; the expectation being that the smaller awards could potentially be released quickly for activities which are ready to be delivered

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ACHIEVEMENT AND PERFORMANCE

Volunteering Development

We continue to support a number of voluntary sector and cross-sector initiatives in Renfrewshire, resulting in strengthened partnerships and improved services. The Company aims to help individuals find volunteering opportunities that make a positive impact on their community and their own lives. The Company also supports volunteer involving organisations (VIO's) establish and market credible and quality volunteering opportunities which have clearly defined roles, associated responsibilities, induction and training.

Engage Renfrewshire have had an active Volunteer Managers Forum for several years, maintained in a bi-monthly format - these sessions are an important way to identify local issues. The Forum have also examined employability and volunteering, particularly with a mind to inclusive volunteering and youth volunteering.

During October 2021 the company launched the Leadership Learning Club in collaboration with the Open University. Engage Renfrewshire are the first Scottish pilot for this learning club which promotes a different style of learning from our usual training - independent at-home learning combined with seminar style discussion group work. This process encouraged 5 different volunteer involving organisations to explore how to encourage and champion leadership amongst volunteers. Feedback from club attendees has been positive, with many saying they have learnt new ways of thinking and approached with regards to encouraging volunteers in to leadership roles.

Community Capacity Development

Engage officers support community capacity building; helping community groups to address issues which are important to them. We act to encourage local communities to develop, implement and sustain their own solutions to problems in a way that helps them shape and exercise control over their physical, social, economic and cultural environments.

The company recruited an Affordable Credit Officer in November 2021 with funding awarded via Renfrewshire Council. This post is covering the promotion of affordable credit and awareness of/prevention of illegal lending activity to groups and practitioners across Renfrewshire. The Affordable Credit Officer will work closely with the Renfrewshire Affordable Credit Alliance (RACA) which is made up of a variety of organisations including credit unions, banks, Renfrewshire Council and more in order to help you access fair and affordable forms of credit.

Supporting Health and Social Care - Community Mental Health & Wellbeing Fund

During 2021/22 Engage Renfrewshire received funding of just over £560,000 from the Scottish Government to be distributed locally. The intended outcome of this Fund was to "develop a culture of mental wellbeing and prevention within local communities and across Scotland with improved awareness of how we can all stay well and help ourselves and others". The overarching aim of the Fund is to support community based initiatives that promote and develop good mental health and wellbeing and/or mitigate and protect against the impact of distress and mental ill health within the adult population.

Ensuring that the 'message' regards the fund was available to all was challenging and linking to Renfrewshire's Health & Social Care Partnership (HSCP) was crucial. In the HSCP's Strategic Plan - 'Shaping Our Future' - there is commitment identified that requires all of us connected to the local health agenda to work collaboratively. On the 19th November 2021 the Head of Strategic Planning and Health Improvement for Renfrewshire presented a paper called 'Strategic Plan 2022-25: Update on Approach and Progress' to Renfrewshire's Integrated Joint Board for Health & Social Care which noted: 'The commitments set out in the Plan provide further opportunity to build on these successes and bring partners together, through joint approaches such as the recently launched Community Mental Health & Wellbeing fund, which will improve outcomes for our local citizens.' Part of the allocation from Scottish Government included a grant for costs for administering the fund. The allocation was part utilised to employ a Community Mental Health & Wellbeing Officer who as well as supporting the funding bid system, will also work to develop a network of local mental health and wellbeing groups and act to support collaborative projects. The post holder took up the role on 10th January, 2022

Social Enterprise Development & Funding

Social enterprises have a particularly important role to play in helping to strengthen communities - there is already a significant amount of good practice to reflect on in Renfrewshire. The Company:

- Continues to work to promote the local understanding of social enterprise.
- Promotes the concept that social enterprises can be developed from community-led ideas; can be innovative and provide solutions.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

- Supports Renfrewshire SE's network directory

Access to funded opportunities continue to challenge all local organisations and the Wellbeing Fund Open was welcomed warmly in Renfrewshire. This fund was set up in partnership between the Scottish Government and national third sector organisations: SCVO, Corra, Inspiring Scotland and The Hunter Foundation. Analysis of Awards made through the Open Application Process notes that local organisations in Renfrewshire made 135 applications to the open process with 75 successful. The total funding ask for all applications was £792,000 with £430,000 awarded. Renfrewshire received the tenth highest cumulative sum, however the nine other local authority areas receiving more (Aberdeen, East Lothian, West Lothian, Glasgow, Edinburgh, South Lanarkshire, North Lanarkshire, Fife, & Highlands) have higher populations than Renfrewshire. Renfrewshire submitted the third highest number of applications (behind Glasgow & Edinburgh). Renfrewshire also had the fourth highest number of successful applications compared with all applications, by local authority (behind Glasgow, Edinburgh and North Lanarkshire).

Community Support - establish an integration network - IN-Ren

The company is now supporting monthly Renfrewshire Integration Network (IN-Ren) meetings. This work included meeting with the Renfrewshire Health and Social Care Partnership to encourage more diverse ethnic groups to be involved in the work of the partnership.

The IN-Ren 'e-News' which aims to raise awareness of information and support to a wider, more diverse audience continues to be distributed to diverse communities and individuals in Renfrewshire is being sent on a fortnightly basis. Work has progressed on an online IN-Ren Race Equality Toolkit to inform and inspire activity with practitioners to promote inclusion among diverse ethnic groups in Renfrewshire and the IN-Ren Officer delivered a presentation at the Renfrewshire Local Employability Partnership (RLEP) meeting on employability issues for ethnically diverse groups.

Build the relationship with community planning

Acting on behalf of the local Third Sector, Engage Renfrewshire is a full and equal participant in the local Community Planning Partnership. This has led to strong and mature partnership working at strategic and operational levels. Engage Renfrewshire is a trusted 'umbrella' agency providing influential services to its members and a presence for the Third Sector within the strategic local partnerships. The work carried out by the organisation as the manager of a significant Third Sector 'hub' and provider of financial services support including a payroll service is secured by the flexibility of the approach of Engage Renfrewshire's experienced officers, customer loyalty and the commitment of the local 'tenant' partners to the engagement undertaken within the premises.

Partnership - Community Based Adult Learning

During the year the company managed a £62,000 Community Based Adult Learning Fund, awarded by Scottish Government, which provided an opportunity to re-engage and reach out to individuals and targeted group.

As part of the Community Learning & Development partnership, officers from the company helped set up a programme that would seek to deliver an Outreach Programme that would:

- a) Reach out to communities who have been identified as needing support and interventions
- b) Re-connect with our networks of individuals and community-based groups who need to build back.
- c) Focus particularly on targeted groups who are identified as being vulnerable and most impacted on by the pandemic (i.e. women, carers, the BAME community, families with ASN, adults and families experiencing hardship).

Through a mixture of Third Sector and Local Authority led work the partnership delivered a large range of meaningful adult learning; some of which will add to the existing infrastructure of support and aid sustainability for future activities.

FINANCIAL REVIEW

Financial position

The results of the company are shown in the accompanying Financial Statements. These show that the company has generated a surplus of £95,867 (2021: £77,720) and has net assets of £898,797 (2021: £770,930). Of the surplus for the year, £32,000 (2021: £7,000) arose due to actuarial gains arising in respect of the defined benefit pension scheme.

Under the Memorandum and Articles of Association, the directors have the power to make investments as they see fit.

ENGAGE RENFREWSHIRE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Principal funding sources

Engage Renfrewshire are dependent upon funding from The Scottish Government and Renfrewshire Council who provide contributory funding to enable them to carry out their charitable objectives. The sums received and the related project costs are shown in the financial statement. Engage Renfrewshire is required to monitor, evaluate and report progress via a 6 monthly Interim Report submitted to the Scottish Government Third Sector Unit. The offer of grant funding from Renfrewshire Council is subject to Engage Renfrewshire being governed and supervised in terms of Renfrewshire Council's undertakings for Conditions of Grant.

Reserves policy

It is the policy of the charity that unrestricted funds which are not designated for a specific use should be maintained at a level to ensure the continuing operation of the charity. This is at a level of between three and six months expenditure to smooth the operation of the charity. At 31 March 2022, the general fund (excluding designated funds) totalled £255,818 (2021: £141,911). A redundancy reserve of £173,177 (2021: £189,624) is held.

Going concern

The company is mainly funded by Scottish and Local Government grants and generates income from financial services.

Since 'lockdown', to support the third sector, several funds have been set up nationally. Engage Renfrewshire has undertaken additional roles within this new funding landscape to ensure that local organisations are aware of all new opportunities. Engage Renfrewshire has acted as assessors for the Wellbeing Fund application process, provided support for Resilience Fund applicants and provided guidance and assessment support for community anchor organisations delivering Supporting Community Fund programmes.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources and reserves to continue in operational existence for the foreseeable future and therefore, for this reason they continue to adopt the going concern basis in preparing its financial statements.

FUTURE PLANS

Engage Renfrewshire will continue to work to deliver against our aims in 2022/23:

- Improving Member Support - We remain committed to listening and responding to the needs of our members, as well as community planning partners and sharing intelligence where possible. In considering our strategy for improving member support, partnership working and network management we are reviewing the responsibilities of all officers within the organisation regards future operations.
- Lead on Community Based Health - We will build on the positive feedback from partners regarding the management of the community mental health & wellbeing fund, and continue to support the Health & Social care Partnership and associated Strategic Partners Group.
- Strategic Engagement - We will continue to work in key areas of strategic interest - including employability, cultural regeneration, digital infrastructure developments etc. - by contributing to a wide range of local action plans.
- Partnership - Engage Renfrewshire is working to ensure that community and voluntary sector organisations have a strong voice in public sector provision in Renfrewshire and have significant influence within the Community Planning Partnership. It is the ambition that going forward the company retains a trusted position with the local authority and other partners.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The company is a charitable company limited by guarantee and is governed by its Articles of Association. The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law.

The maximum number of directors is 10. Of these, no more than 3 can be Group Member Directors; no more than 3 can be Individual Member Directors; no more than 2 can be Public/Private Member Directors; and no more than 2 can be Co-opted Directors. At each Annual General Meeting, the director in each of the first 3 director categories above who has been longest in office since they were last elected shall retire but is eligible for re-election. Co-opted Directors can be appointed by the Board on the basis that they have specialist skills which are of assistance to the Board. Co-opted Directors must vacate office at each Annual General Meeting but can be re-appointed by the Board.

Organisational structure

The Charity is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988. Engage Renfrewshire is run by unpaid non-executive trustees and managed by the Chief Executive. To facilitate effective operations, the Chief Executive has delegated authority approved by the trustees for operational matters including finance and employment. Sub-committees are formed on an ad hoc basis to manage specific areas and report thereon to the Board.

Induction and training of new trustees

An induction process and regular communications inform and update both new trustees and existing trustees in respect of the organisation's legal status, constitutional documents and other general information, in addition to a review of the activities within the organisation. The charity will review its policies relating to induction and training to comply with any new guidelines and recommendations from the Office of the Scottish Charity Regulator. This is to ensure that its policies are sufficient to meet the training needs of its directors and staff and that the charity continues to maintain the highest possible standards of service.

Key management remuneration

The directors consider that the Board of Directors, who are the charity trustees, and the senior management team are the key people who oversee direction, focus and operations. The pay of the senior staff is reviewed annually by the Board of Directors. The Directors consider increases in conjunction with increases awarded to the wider staff team. In addition, the Directors benchmark pay levels with those in other voluntary organisations. No remuneration was paid to the Trustees for their services.

Risk management

The trustees are continually examining the major strategic, business and operational risks which the Company faces, to confirm that systems already established will enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. This includes the risks associated with loss of funding.

The trustees were concerned about the risk of requiring to finance potential future liabilities arising from Engage Renfrewshire's participation in the Strathclyde Pension Fund and undertook negotiations with Renfrewshire Council regarding this issue. As detailed in note 19, in September 2018, Renfrewshire Council provided both entities with a guarantee in respect of their participation in the Strathclyde Pension Fund whereby in the event of a 'relevant event' being the charity:-

- going into insolvency, winding up or liquidation; or
- exiting the scheme under the terms of Regulation 61 of the 2018 Regulations or otherwise ceasing to be a scheme employer; or
- breaching any of its obligations under the Admission Agreement; or
- failing to pay any sums due to the scheme under the Admission Agreement and/or the Regulations within a reasonable period of a notice from the Administering Authority requiring payment

Renfrewshire Council will make payment of the amount due to the scheme by the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC120101 (Scotland)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Registered Charity number
SC018453

Registered office
10 Falcon Crescent
Paisley
Renfrewshire
PA3 1NS

Trustees
A G Dick
J G Gillespie
J Gonani (appointed 15/11/2021)
G A McGuinness
A McMillan
Mrs G R Murray
Mrs H R Simpson
Mrs J Smart

Company Secretary
Burness Paull LLP, Solicitors

Auditors
Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

Solicitors
Burness Paull LLP, Solicitors
120 Bothwell Street
Glasgow
G2 7JL

Bankers
The Royal Bank of Scotland
1 Moncrieff Street
Paisley
PA3 2AW

Senior management
Alan McNiven - Chief Executive
Jacqueline Carroll - Head of Finance

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Engage Renfrewshire for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

ENGAGE RENFREWSHIRE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

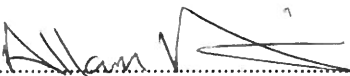
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Milne Craig, Chartered Accountants, were appointed as auditors during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 11/11/22 and signed on its behalf by:


.....

A G Dick - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Opinion

We have audited the financial statements of Engage Renfrewshire (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the Charities SORP (FRS102).

We assessed how the charity is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Our responsibilities for the audit of the financial statements

We assessed the susceptibility of the charity financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to charity, and the manner in which such risks may occur in practice, based on our previous knowledge of the charity, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Vernal

William Vernal BA CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

Date: 4/11/22

ENGAGE RENFREWSHIRE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	562,358	716,594	1,278,952	620,386
Charitable activities	5				
Charitable activities		87,731	5,900	93,631	72,658
Investment income	4	<u>134</u>	<u>2</u>	<u>136</u>	<u>391</u>
Total		650,223	722,496	1,372,719	693,435
EXPENDITURE ON					
Charitable activities	6				
Charitable activities		<u>589,762</u>	<u>687,090</u>	<u>1,276,852</u>	<u>622,715</u>
NET INCOME		60,461	35,406	95,867	70,720
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>7,000</u>
Net movement in funds		92,461	35,406	127,867	77,720
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>726,535</u>	<u>44,395</u>	<u>770,930</u>	<u>693,210</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>818,996</u></u>	<u><u>79,801</u></u>	<u><u>898,797</u></u>	<u><u>770,930</u></u>

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

BALANCE SHEET 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	1,108	-	1,108	1,718
CURRENT ASSETS					
Debtors	15	132,879	-	132,879	211,992
Cash at bank and in hand		<u>870,557</u>	<u>79,801</u>	<u>950,358</u>	<u>720,673</u>
		1,003,436	79,801	1,083,237	932,665
CREDITORS					
Amounts falling due within one year	16	(185,548)	-	(185,548)	(163,453)
NET CURRENT ASSETS		<u>817,888</u>	<u>79,801</u>	<u>897,689</u>	<u>769,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>818,996</u>	<u>79,801</u>	<u>898,797</u>	<u>770,930</u>
NET ASSETS		<u>818,996</u>	<u>79,801</u>	<u>898,797</u>	<u>770,930</u>
FUNDS	18				
Unrestricted funds				818,996	726,535
Restricted funds				<u>79,801</u>	<u>44,395</u>
TOTAL FUNDS				<u>898,797</u>	<u>770,930</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14/11/22 and were signed on its behalf by:


A G Dick - Trustee

The notes form part of these financial statements

ENGAGE RENFREWSHIRE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>229,549</u>	<u>49,330</u>
Net cash provided by operating activities		<u>229,549</u>	<u>49,330</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,517)
Interest received		<u>136</u>	<u>391</u>
Net cash provided by/(used in) investing activities		<u>136</u>	<u>(1,126)</u>
Change in cash and cash equivalents in the reporting period		229,685	48,204
Cash and cash equivalents at the beginning of the reporting period		<u>720,673</u>	<u>672,469</u>
Cash and cash equivalents at the end of the reporting period		<u>950,358</u>	<u>720,673</u>

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	95,867	70,720
Adjustments for:		
Depreciation charges	610	715
Interest received	(136)	(391)
Pension finance credit	(10,000)	(13,000)
Decrease/(increase) in debtors	79,113	(158,260)
Increase in creditors	22,095	129,546
Difference between pension charge and cash contributions	<u>42,000</u>	<u>20,000</u>
Net cash provided by operations	<u>229,549</u>	<u>49,330</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	<u>720,673</u>	<u>229,685</u>	<u>950,358</u>
	<u>720,673</u>	<u>229,685</u>	<u>950,358</u>
Total	<u>720,673</u>	<u>229,685</u>	<u>950,358</u>

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Engage Renfrewshire is a company limited by guarantee, incorporated in Scotland. The registered office is 10 Falcon Crescent, Paisley, Renfrewshire, PA3 1NS.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Engage Renfrewshire meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

Due to the ongoing Coronavirus pandemic, the Trustees and Key Management Personnel have assessed the potential future of Engage Renfrewshire. After assessing all potential impacts, for the reasons set out in the Trustees' Report, the Trustees have a reasonable expectation that the charity has adequate resources and reserves to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements despite the uncertainty caused by the ongoing pandemic.

Accounting judgements & sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government or other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

Income received in advance of the provision of specific service through a contract is deferred until the criteria for income recognition are met.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Income

Other revenue streams such as room rental or fees for the provision of payroll or other financial services are recognised upon the provision of the services to the customer. In the event that a service is subject to conditions that require a level of performance before the charity is entitled to funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs which support the charity's programmes and activities. These costs have been allocated to charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold plant	-5% straight line
and machinery	-33.3% on cost and 15% on cost
Fixtures and fittings	-15% on reducing balance, 15% on cost and 33.3% on cost

Tangible fixed assets are included in the balance sheet at cost less accumulated depreciation and impairment losses.

Only assets costing more than £1,000 are capitalised as tangible fixed assets.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Pension costs and other post-retirement benefits

The charity participates in the Strathclyde Pension Fund (the Fund). The Fund is a multi-employer defined benefit scheme. The Fund is funded and is contracted out of the state scheme. The pension assets and liabilities have been recorded in line with FRS 102, based on a valuation by the scheme actuary. FRS 102 measures the value of pension scheme assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Financial Activities and the expected return on scheme assets and the interest cost on scheme liabilities are allocated across the appropriate incoming / outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members is recognised in the Statement of Financial Activities within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the balance sheet.

The charity also operates a defined contribution pension scheme which is managed by The People's Pension. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Impairment of assets

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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.

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Grants	<u>1,278,952</u>	<u>620,386</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Scottish Government	858,154	247,057
Renfrewshire Council	418,546	360,610
CJRS Furlough income	2,252	3,719
Merchants House	-	5,000
STV Appeal	<u>-</u>	<u>4,000</u>
	<u>1,278,952</u>	<u>620,386</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>136</u>	<u>391</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Rental income	Charitable activities	15,338	11,838
Other income	Charitable activities	<u>78,293</u>	<u>60,820</u>
		<u>93,631</u>	<u>72,658</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Grant funding of activities (see note 8)	Support costs (see note 9)	Totals
	£	£	£	£
Charitable activities	<u>690,058</u>	<u>559,493</u>	<u>27,301</u>	<u>1,276,852</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	547,736	493,979
Rates and water	1,979	5,532
Insurance	7,692	5,944
Light and heat	7,412	9,227
Telephone	6,392	9,067
Postage and stationery	4,277	5,092
Marketing and events	6,143	2,267
Sundries	7,928	3,392
Repairs and maintenance	17,134	17,800
Computer expenses	27,812	31,334
Cleaning costs	1,533	3,725
Travel and subsistence	209	40
Staff training	3,954	11,395
Staff well-being costs	828	386
Other staff costs	3,895	7,824
Depreciation	610	715
Community delivered training costs	54,524	-
Pension finance charge	<u>(10,000)</u>	<u>(13,000)</u>
	<u>690,058</u>	<u>594,719</u>

8. GRANTS PAYABLE

	2022	2021
	£	£
Charitable activities	<u>559,493</u>	<u>6,260</u>
The total grants paid to institutions during the year was as follows:		
	2022	2021
	£	£
Charitable activities	<u>559,493</u>	<u>6,260</u>

CMHWB Grant Funding:

Engage Renfrewshire received funding from the Scottish Government to distribute locally which would seek to "develop a culture of mental wellbeing and prevention within local communities and across Scotland with improved awareness of how we can all stay well and help ourselves and others".

The Fund was committed to support community based initiatives that promote and develop good mental health and wellbeing and/or mitigate and protect against the impact of distress and mental ill health within the adult population, with a particular focus in 2021/22 on:

- Tackling priority issues within the Transition and Recovery Plan such as suicide prevention, social isolation and loneliness, prevention and early intervention
- Addressing the mental health inequalities exacerbated by the pandemic and the needs of a range of 'at risk' groups locally
- Supporting small 'grass roots' community groups and organisations to deliver such activities
- Providing opportunities for people to connect with each other, build trusted relationships and revitalise communities
- Supporting recovery and creativity locally by building on what is already there, what was achieved through the pandemic, and by investing in creative solutions

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>1,199</u>	<u>26,102</u>	<u>27,301</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	12,990	11,683
Depreciation - owned assets	<u>610</u>	<u>715</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	423,427	387,541
Social security costs	34,656	31,990
Other pension costs	<u>89,653</u>	<u>74,448</u>
	<u>547,736</u>	<u>493,979</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Service Providers	8	6
Administration	<u>7</u>	<u>7</u>
	<u>15</u>	<u>13</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the company comprise of the Trustees, the Chief Executive and the Head of Finance. During the year, total remuneration of £136,863 (2021: £134,684) was paid to key management personnel of the company.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	5,719	614,667	620,386
Charitable activities			
Charitable activities	70,657	2,001	72,658
Investment income	<u>389</u>	<u>2</u>	<u>391</u>
Total	76,765	616,670	693,435
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>10,945</u>	<u>611,770</u>	<u>622,715</u>
NET INCOME	65,820	4,900	70,720
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net movement in funds	72,820	4,900	77,720
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>653,714</u>	<u>39,496</u>	<u>693,210</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>726,534</u></u>	<u><u>44,396</u></u>	<u><u>770,930</u></u>

14. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 April 2021 and 31 March 2022	<u>66,622</u>	<u>32,320</u>	<u>98,942</u>
DEPRECIATION			
At 1 April 2021	65,614	31,610	97,224
Charge for year	<u>505</u>	<u>105</u>	<u>610</u>
At 31 March 2022	<u>66,119</u>	<u>31,715</u>	<u>97,834</u>
NET BOOK VALUE			
At 31 March 2022	<u><u>503</u></u>	<u><u>605</u></u>	<u><u>1,108</u></u>
At 31 March 2021	<u><u>1,008</u></u>	<u><u>710</u></u>	<u><u>1,718</u></u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	119,364	209,022
Prepayments and accrued income	<u>13,515</u>	<u>2,970</u>
	<u>132,879</u>	<u>211,992</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	32,376	4,499
Social security and other taxes	11,684	9,164
Other creditors	80,672	98,752
Accruals and deferred income	<u>60,816</u>	<u>51,038</u>
	<u>185,548</u>	<u>163,453</u>

The charity entered into service level agreements with other charitable organisations to manage funds on their behalf. Other creditors includes £73,858 (2021: £94,359) of funds received by the charity under these agreements which are held for distribution to eligible organisations.

Included within accruals and deferred income is grant income of £44,250 (2021: £38,090) which has been deferred as the performance conditions attached were not met as at 31 March 2022.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	6,185	2,927
Between one and five years	13,684	7,256
In more than five years	<u>1,618</u>	<u>-</u>
	<u>21,487</u>	<u>10,183</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
Unrestricted - General fund	141,911	97,461	16,447	255,819
Designated - Pension reserve	350,000	-	-	350,000
Designated - Redundancy reserve	189,624	-	(16,447)	173,177
Designated - Capital fund	20,000	-	-	20,000
Designated - Accounting/IT upgrades	20,000	-	-	20,000
Designated - Staff reserve	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
	726,535	92,461	-	818,996
Restricted funds				
Affordable Credit Project	1,119	3,634	-	4,753
STV Appeal	564	-	-	564
National Lottery Community Fund	1,917	7,358	-	9,275
Scottish Government Community				
Well-being	35,795	(5,845)	-	29,950
Merchant House	5,000	-	-	5,000
Community Mental Health & Wellbeing	-	45	-	45
Community Based Adult Learning	-	4,160	-	4,160
Communities Mental Health & Wellbeing				
Fund - Local Administration	<u>-</u>	<u>26,054</u>	<u>-</u>	<u>26,054</u>
	<u>44,395</u>	<u>35,406</u>	<u>-</u>	<u>79,801</u>
TOTAL FUNDS	<u>770,930</u>	<u>127,867</u>	<u>-</u>	<u>898,797</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted - General fund	650,223	(584,762)	32,000	97,461
Designated - Staff reserve	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
	650,223	(589,762)	32,000	92,461
Restricted funds				
Affordable Credit Project	21,701	(18,067)	-	3,634
National Lottery Community Fund	41,040	(33,682)	-	7,358
Scottish Government Community				
Well-being	-	(5,845)	-	(5,845)
Community Mental Health & Wellbeing	559,538	(559,493)	-	45
Community Based Adult Learning	62,000	(57,840)	-	4,160
Communities Mental Health & Wellbeing				
Fund - Local Administration	<u>38,217</u>	<u>(12,163)</u>	<u>-</u>	<u>26,054</u>
	<u>722,496</u>	<u>(687,090)</u>	<u>-</u>	<u>35,406</u>
TOTAL FUNDS	<u>1,372,719</u>	<u>(1,276,852)</u>	<u>32,000</u>	<u>127,867</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
Unrestricted - General fund	74,090	72,821	(5,000)	141,911
Designated - Pension reserve	350,000	-	-	350,000
Designated - Redundancy reserve	189,624	-	-	189,624
Designated - Capital fund	20,000	-	-	20,000
Designated - Accounting/IT upgrades	20,000	-	-	20,000
Designated - Staff reserve	-	-	5,000	5,000
	<u>653,714</u>	<u>72,821</u>	<u>-</u>	<u>726,535</u>
Restricted funds				
Affordable Credit Project	2,569	(1,450)	-	1,119
STV Appeal	1,674	(1,110)	-	564
National Lottery Community Fund	35,253	(33,336)	-	1,917
Scottish Government Community				
Well-being	-	35,795	-	35,795
Merchant House	-	5,000	-	5,000
	<u>39,496</u>	<u>4,899</u>	<u>-</u>	<u>44,395</u>
TOTAL FUNDS	<u>693,210</u>	<u>77,720</u>	<u>-</u>	<u>770,930</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted - General fund	76,765	(10,944)	7,000	72,821
Restricted funds				
Affordable Credit Project	-	(1,450)	-	(1,450)
STV Appeal	4,000	(5,110)	-	(1,110)
National Lottery Community Fund	1	(33,337)	-	(33,336)
Scottish Government Community				
Well-being	48,659	(12,864)	-	35,795
Merchant House	5,000	-	-	5,000
Scottish Government - core funding	198,400	(198,400)	-	-
Renfrewshire Council - core funding	<u>360,610</u>	<u>(360,610)</u>	<u>-</u>	<u>-</u>
	<u>616,670</u>	<u>(611,771)</u>	<u>-</u>	<u>4,899</u>
TOTAL FUNDS	<u>693,435</u>	<u>(622,715)</u>	<u>7,000</u>	<u>77,720</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
Unrestricted - General fund	74,090	170,282	11,447	255,819
Designated - Pension reserve	350,000	-	-	350,000
Designated - Redundancy reserve	189,624	-	(16,447)	173,177
Designated - Capital fund	20,000	-	-	20,000
Designated - Accounting/IT upgrades	20,000	-	-	20,000
Designated - Staff reserve	-	(5,000)	5,000	-
	653,714	165,282	-	818,996
Restricted funds				
Affordable Credit Project	2,569	2,184	-	4,753
STV Appeal	1,674	(1,110)	-	564
National Lottery Community Fund	35,253	(25,978)	-	9,275
Scottish Government Community				
Well-being	-	29,950	-	29,950
Merchant House	-	5,000	-	5,000
Community Mental Health & Wellbeing	-	45	-	45
Community Based Adult Learning	-	4,160	-	4,160
Communities Mental Health & Wellbeing				
Fund - Local Administration	-	26,054	-	26,054
	39,496	40,305	-	79,801
TOTAL FUNDS	<u>693,210</u>	<u>205,587</u>	<u>-</u>	<u>898,797</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted - General fund	726,988	(595,706)	39,000	170,282
Designated - Staff reserve	-	(5,000)	-	(5,000)
	726,988	(600,706)	39,000	165,282
Restricted funds				
Affordable Credit Project	21,701	(19,517)	-	2,184
STV Appeal	4,000	(5,110)	-	(1,110)
National Lottery Community Fund	41,041	(67,019)	-	(25,978)
Scottish Government Community Well-being	48,659	(18,709)	-	29,950
Merchant House	5,000	-	-	5,000
Scottish Government - core funding	198,400	(198,400)	-	-
Renfrewshire Council - core funding	360,610	(360,610)	-	-
Community Mental Health & Wellbeing	559,538	(559,493)	-	45
Community Based Adult Learning	62,000	(57,840)	-	4,160
Communities Mental Health & Wellbeing Fund - Local Administration	38,217	(12,163)	-	26,054
	1,339,166	(1,298,861)	-	40,305
TOTAL FUNDS	<u>2,066,154</u>	<u>(1,899,567)</u>	<u>39,000</u>	<u>205,587</u>

Renfrewshire Council and the Scottish Government provided funding to enable the company to carry out its charitable purposes. This funding was fully utilised during the year and was included in a restricted reserve.

As at 31 March 2021, there was a balance of funds carried forward of £1,119 to be used in the development of Renfrewshire Affordable Credit Alliance. During the year, further funds of £21,702 were received and £18,067 were expended, leaving a balance to be carried forward as at 31 March 2022 of £3,635.

As at 31 March 2021, there was a balance of funds carried forward of £564 relating to the STV Appeal. During the year, there were no further funds received or expended, leaving a balance to be carried forward as at 31 March 2022 of £564.

As at 31 March 2021, there was a balance of funds carried forward of £1,917 relating to the National Lottery Community Fund to assist in the creation of a 'IN Ren' integration project aimed at supporting the integration of BME communities into Renfrewshire life. During the year, further funds of £41,040 were received and £33,682 were expended, leaving a balance to be carried forward as at 31 March 2022 of £9,275.

As at 31 March 2021, there was a balance of funds carried forward of £35,795 relating to the Scottish Government Community Wellbeing Fund to be used to strengthen the capacity of the Third Sector Interface and wider third sector locally to support at-risk people and manage pressures and demands created by Covid-19. During the year, no further funds were received and £5,845 was expended, leaving a balance to be carried forward as at 31 March 2022 of £29,950.

As at 31 March 2021, there was a balance of funds carried forward of £5,000 relating to Merchants House to be used in the Future Paisley Engagement Programme project which aims to ensure local community voices are at the centre of the cultural aspirations for Paisley and Renfrewshire. During the year, there were no further funds received or expended, leaving a balance to be carried forward as at 31 March 2022 of £5,000.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

18. MOVEMENT IN FUNDS - continued

During the year, funds were received totalling £559,538 relating to the Scottish Government Community Mental Health & Wellbeing which is aimed at supporting mental health and wellbeing in communities across Scotland. Expenditure during the year was £559,493, leaving a balance to be carried forward as at 31 March 2022 of £45.

During the year, funds were received totalling £62,000 relating to the Scottish Government Community Based Adult Learning which is aimed at improve life chances for adult learners across Scotland. Expenditure during the year was £57,840, leaving a balance to be carried forward as at 31 March 2022 of £4,160.

During the year, funds were received totalling £38,217 relating to the Scottish Government Community Mental Health & Wellbeing local administration which is administrative income and expenditure incurred in the performance of the Scottish Government Community Mental Health & Wellbeing project, aimed at supporting mental health and wellbeing in communities across Scotland. Expenditure during the year was £12,163, leaving a balance to be carried forward as at 31 March 2022 of £26,054.

As detailed in note 18 to the financial statements, the pension scheme surplus as at 31 March 2022 determined by the scheme actuaries on a FRS 102 basis was £1,138,000 (2021: £487,000). As the trustees consider the trend in the scheme to be one of increasing liabilities in the medium to long term, this improvement is considered to be short term. As a consequence, the above asset has been curtailed and the surplus/deficit as at 31 March 2022 has been reflected in the financial statements at £nil. However, in light of the trustees' view that the deficit in the pension scheme is likely to grow over the next few years, they have considered it to be prudent to set up a Designated Pension Reserve in the amount of £350,000 (2021: £350,000) to absorb future fluctuations in value.

19. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit scheme

The company participates in the Strathclyde Pension Fund (SPF), a defined benefit scheme and has its assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary.

The last triennial valuation was carried out at 31 March 2022. The principal assumptions used were as follows:-

Valuation date	31 March 2022
Valuation method	Projected unit
Market value of assets	£20,941 million
Actuarial assumptions:	
Discount rate	2.7%
Salary increase rate	3.9%
Price inflation	3.2%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CM12020 model, with a 0% weighting of 2021 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Male	Female
Current pensioners	19.6	22.4
Future pensioners*	21.0	24.5

* Figures assume members aged 45 as at the last formal valuation date.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

For the purposes of FRS 102, an actuarial valuation of the company's section of the Fund as at 31 March 2022 was calculated by the actuary on the projected unit method of valuation. The actuarial assumptions to be applied in the calculations were considered and were customised to the specific circumstances of the charity. The actuary adopted the revised assumptions detailed below in his calculations:-

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2022	2021
Discount rate	2.70%	2.00%
Future salary increases	3.90%	3.55%
Future pension increases	3.20%	2.85%

As at the date of the most recent valuation, the duration of the company's funded liabilities is 20 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Present value of funded obligations	(4,784,000)	(5,056,000)
Present value of unfunded obligations	(65,000)	(70,000)
Fair value of plan assets	<u>5,987,000</u>	<u>5,613,000</u>
Net surplus / (deficit)	1,138,000	487,000
Less curtailment of scheme assets	(1,138,000)	(487,000)
Pension scheme asset/(deficit)	-	=

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Current service cost	75,000	52,000
Net interest from net defined benefit asset/liability	<u>(10,000)</u>	<u>(13,000)</u>
	<u>65,000</u>	<u>39,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Opening defined benefit obligation	5,056,000	3,931,000
Current service cost	75,000	52,000
Contributions by scheme participants	11,000	11,000
Interest cost	102,000	96,000
Benefits paid	(98,000)	(103,000)
Actuarial (gains)/losses from changes in financial assumptions	<u>(362,000)</u>	<u>(1,069,000)</u>
	<u>4,784,000</u>	<u>5,056,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

	£	£
Opening fair value of scheme assets	5,613,000	4,494,000
Contributions by employer	29,000	28,000
Contributions by scheme participants	11,000	11,000
Expected return	112,000	109,000
Benefits paid	(98,000)	(103,000)
Return on plan assets (excluding interest income)	320,000	1,074,000
	<u>5,987,000</u>	<u>5,613,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Actuarial gains/(losses) from changes in demographic assumptions	28,000	104,000
Actuarial gains/(losses) from changes in financial assumptions	344,000	(1,174,000)
Other experience remeasurements	(9,000)	(9,000)
Return on plan assets (excluding interest income)	<u>320,000</u>	<u>1,010,000</u>
	<u>683,000</u>	<u>(69,000)</u>
Curtailment of scheme surplus	<u>(651,000)</u>	<u>76,000</u>
	<u>32,000</u>	<u>7,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
Equities	61%	66%
Bonds	26%	23%
Property	11%	9%
Cash	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

The employer contributions for the year ended 31 March 2022 will be approximately £29,000.

In September 2018, Renfrewshire Council provided Engage Renfrewshire with a guarantee in respect of its participation in the Strathclyde Pension Fund whereby in the event of a 'relevant event' being the charity:-

- going into insolvency, winding up or liquidation; or
- exiting the scheme under the terms of Regulation 61 of the 2018 Regulations or otherwise ceasing to be a scheme employer; or
- breaching any of its obligations under the Admission Agreement; or
- failing to pay any sums due to the scheme under the Admission Agreement and/or the Regulations within a reasonable period of a notice from the Administering Authority requiring payment

Renfrewshire Council will make payment of the amount due to the scheme by the charity.

As at 31 March 2022, there is a scheme surplus determined on a FRS 102 basis amounting to £1,138k, however, as detailed above, this surplus has been curtailed to £nil. Due to the availability of the above guarantee from Renfrewshire Council, the funding position cannot be better/worse than the surplus/deficit determined on an ongoing actuarial basis, but no such valuation is currently available. It is anticipated that any surplus arising on an ongoing basis would be in excess of the FRS 102 surplus, and consequently, the trustees consider the adopted treatment to be prudent.

Defined contribution scheme

The amount paid in the year and charged to the Statement of Financial Activities amounts to £47,652 (2021: £26,448). Contributions totalling £2,750 (2021: £36) were payable to the fund at the balance sheet date and are included in creditors.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

20. RELATED PARTY DISCLOSURES

The company was previously in control of Childcare First due to significant influence because two of the three directors were employees of Engage Renfrewshire.

Childcare First is a charity registered in Scotland, limited by guarantee. The registered office is 10 Falcon Crescent, Paisley, Renfrewshire, PA3 1NS. The company number is SC279472 and the charity number is SC036606. Childcare First provides education and out of school care across areas of Renfrewshire.

Advantage had previously been taken of the disclosure requirements of FRS 102 on the grounds that the company's financial statements are included in the group's financial disclosures.

However via a written special resolution that was signed on the 4th of October 2021, on where the adoption of new articles of association were adopted, Engage Renfrewshire was removed as a member of Childcare First Limited.

21. FUNDS HELD AS AGENT

During the year, Engage Renfrewshire, in the capacity of agent, provided payroll and financial services support to 101 (2021: 117) individual clients and 30 (2021: 21) organisations. During the year, the company received funds totalling £4,262,090 (2021: £3,062,782) from these parties and made payments on their behalf totalling £3,988,470 (2021: £2,923,782).. As at 31 March 2022, Engage Renfrewshire held funds in trust for these parties totalling £913,363 (2021: £660,225). In accordance with FRS102, the bank balances held in trust have not been recognised as an asset of the company.

ENGAGE RENFREWSHIRE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	1,278,952	620,386
Investment income		
Deposit account interest	136	391
Charitable activities		
Rental income	15,338	11,838
Other income	<u>78,293</u>	<u>60,820</u>
	<u>93,631</u>	<u>72,658</u>
Total incoming resources	1,372,719	693,435
EXPENDITURE		
Charitable activities		
Wages	423,427	387,541
Social security	34,656	31,990
Pensions	89,653	74,448
Rates and water	1,979	5,532
Insurance	7,692	5,944
Light and heat	7,412	9,227
Telephone	6,392	9,067
Postage and stationery	4,277	5,092
Marketing and events	6,143	2,267
Sundries	7,928	3,392
Repairs and maintenance	17,134	17,800
Computer expenses	27,812	31,334
Cleaning costs	1,533	3,725
Travel and subsistence	209	40
Staff training	3,954	11,395
Staff well-being costs	828	386
Other staff costs	3,895	7,824
Depreciation	610	715
Community delivered training costs	54,524	-
Pension finance charge	(10,000)	(13,000)
Grants to institutions	<u>559,493</u>	<u>6,260</u>
	1,249,551	600,979
Support costs		
Finance		
Bank charges	1,199	979
Governance costs		
Auditors' remuneration	12,990	11,683
Carried forward	12,990	11,683

This page does not form part of the statutory financial statements

ENGAGE RENFREWSHIRE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Governance costs		
Brought forward	12,990	11,683
Accountancy and legal fees	<u>13,112</u>	<u>9,074</u>
	<u>26,102</u>	<u>20,757</u>
Total resources expended	<u>1,276,852</u>	<u>622,715</u>
Net income	<u>95,867</u>	<u>70,720</u>

This page does not form part of the statutory financial statements

